

The complaint

Mr J complains that TSB Bank plc lent irresponsibly when it approved his credit card application.

What happened

Mr J applied for a TSB credit card in April 2025. In his application, Mr J said he was living with his parents paying rent of £500 a month with £200 of essential living expenses. Mr J also said he was employed with an annual income of £25,000.

A credit check found no evidence of adverse information or recent missed payments.

TSB says it completed a credit scoring process and affordability assessment and reached the view a credit card with a limit of £4,500 was affordable for Mr J. TSB approved Mr J's application and issued a credit card with a limit of £4,500.

More recently, a family member acting on Mr J's behalf complained that TSB lent irresponsibly. They said Mr J had only recently turned 18 when his application was made. They also said Mr J suffers with a mental health condition that impacts his impulse control and ability to control spending. Mr J's representative said the way he went on to use his TSB credit card should've shown TSB he was vulnerable.

TSB issued a final response but didn't agree it lent irresponsibly to Mr J. TSB said it had carried out the relevant lending checks before approving Mr J's application. But TSB agreed to refund all interest, fees and charges applied to the credit card to that point as a gesture of goodwill. TSB also asked Mr J to contact its Customer Support Unit to discuss his circumstances if he needed support with the credit card.

An investigator at this service looked at Mr J's complaint. They didn't think TSB had shown it completed proportionate checks before approving Mr J's application. The investigator looked at Mr J's bank statements and thought they showed he was able to sustainably afford repayments to a new credit card with a limit of £4,500. The investigator noted TSB hadn't been told Mr J was potentially vulnerable during the application process and didn't think the way he used his credit card would've given that indication to TSB. The investigator thought that by agreeing to refund the interest applied to Mr J's credit card and offering to discuss his circumstances TSB dealt with his complaint fairly. The investigator didn't uphold Mr J's complaint.

Mr J's representative asked to appeal and said that at 18 Mr J didn't have an established credit history. They also said Mr J's bank statements showed he was also exhausting his available funds before the next payday each month. They added his funds were used to cover essential living expenses like food and fuel leaving no buffer or disposable income. In addition, Mr J's representative said the way he used his credit card in the early months should've caused TSB to identify him as vulnerable. As Mr J asked to appeal his complaint has been passed to me to make a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Before agreeing to lend, the rules say TSB had to complete reasonable and proportionate checks to ensure Mr J could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I've set out the information TSB used when considering Mr J's application above. I can see Mr J confirmed he was living with his parents paying rent of £500 a month and had other regular outgoings of £200. Mr J also said he was earning £25,000 a year. TSB says it checked Mr J's credit file but due to the way its systems work it hasn't been able to provide the specific results to us. In addition, the affordability assessment hasn't been shared in full. That means I can't safely conclude proportionate checks were completed. So I've gone on to think about what proportionate checks would've found.

I can see our investigator asked Mr J for his bank statements for the three months before his application was made to try and get a clearer picture of his circumstances. I've reviewed Mr J's bank statements and found he was working with an average income of £1,681 a month. I could see regular transfers for what I've taken as rent to Mr J's parents. And I can see Mr J had a loan for around £105 a month. In addition, there were payments made for fuel and supermarket spending.

I note Mr J's representative said that the majority of his funds were used up for essential spending but I didn't find that in his bank statements. Whilst there was essential spending, there also appears to have been payments for socialising and eating out. I don't say that to indicate Mr J wasn't using his current account reasonably. In my view, Mr J's account appeared well managed. I appreciate Mr J's representative has said his funds were exhausted each month. But I think Mr J's bank statements show there was capacity in terms of his outgoings. In my view, Mr J's bank statements show his disposable income was sufficient to sustainably afford repayments to a credit card with a limit of £4,500. I think it's more likely than not that proportionate checks by TSB would've still led it to approve Mr J's application and issue a credit card with a limit of £4,500. I'm sorry to disappoint Mr J but I haven't been persuaded TSB lent irresponsibly.

Mr J's representatives have said the spending on his credit card in the early months should've shown TSB Mr J was vulnerable. I can see Mr J was using his credit card and did build up an outstanding balance in the initial months. But I think it's also fair to note Mr J initially made payments well in excess of the contractual minimum. In April 2025 Mr J made a payment of £800 and in May 2025 he paid £400, in addition to his minimum payment. So whilst Mr J started using the credit card, he was also making reasonable repayments.

I've taken on board everything Mr J's representative has submitted and said but I haven't seen information I think should've led TSB to reach the conclusion he was vulnerable. When TSB responded to Mr J's complaint it agreed to refund all the interest, fees and charges applied to that point, even though it didn't agree it lent irresponsibly. TSB also offered to discuss Mr J's circumstances with a specialist team to see what support could be provided. I think that shows TSB was willing to work with Mr J and take his circumstances on board to ensure repayments were affordable and reasonable support was on hand. I understand Mr J went on to work with a debt advice service to discuss affordable repayment options but I'm satisfied TSB was willing to take his circumstances into account. Having considered the available information, I haven't been persuaded TSB treated Mr J unfairly.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think TSB lent irresponsibly to Mr J or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

My decision is that I don't uphold Mr J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 14 April 2026.

Marco Manente
Ombudsman