

The complaint

Miss E complains that Jaja Finance Ltd irresponsibly lent to her.

What happened

Miss E was approved for a Jaja credit card in January 2025, with a £1,100 credit limit. Miss E says that this was irresponsibly lent to her. Miss E made a complaint to Jaja, who did not uphold her complaint. Jaja said that the lending decision was responsible. Miss E brought her complaint to our service.

Our investigator did not uphold Miss E's complaint. They said that the checks Jaja made were proportionate, and Jaja made a fair lending decision. Miss E asked for an ombudsman to review her complaint. She said Jaja didn't complete due diligence and they didn't check her spending when she maxed out the credit limit, and she only made the minimum repayment. She said she had other credit cards open when she applied for the account and her borrowing was around £5,000. Miss E told us about a health condition she has and how the lending has been affecting her, and Jaja haven't contacted her to support her.

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 approve the credit available to Miss E, Jaja needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Jaja have done and whether I'm persuaded these checks were proportionate.

Jaja said they looked at information provided by Credit Reference Agencies (CRA's) and information that Miss E had provided before approving her application. The checks from the CRA showed Miss E wasn't in any arrears on her accounts at the time of the checks. Miss E wasn't in any arrears on her accounts in the six months prior to the checks. The checks also showed there were no defaults, County Court Judgements, or active repayment plans in place.

The information showed that Miss E had declared a gross annual salary of £24,000. Miss E had active accounts showing from the CRA's, so Jaja were aware of her other credit cards, and the total amount of external unsecured revolving debt (such as credit cards/store cards/overdrafts etc) being reported by the CRA was £3,339.

The CRA was able to report Miss E's fixed monthly repayments for her non-revolving credit (such as personal loans/hire purchase agreements etc), whereas they took 5% of Miss E's active revolving debt to include a sustainable repayment in the affordability assessment calculations they completed.

This figure would likely be more than the minimum repayment Miss E was required to pay, therefore it is fair for them to use a higher figure here to ensure Miss E had enough disposable income in order to meet repayments for the Jaja credit card.

Jaja have said they used modelling to help calculate Miss E's affordability. This is an industry standard way of calculating affordability. So they included living expenses, housing costs, and the information from the CRA's about how much Miss E would pay towards her monthly credit commitments (both revolving, and non-revolving agreements).

The affordability assessment showed that Miss E would comfortably be able to make sustainable and affordable repayments for the £1,100 credit limit. So it wouldn't have been proportionate for them to have made further checks such as requesting Miss E's bank statements when there was no adverse credit information being reported by the CRA, the credit limit being around 4.6% of her declared gross annual income, and the high disposable income that the affordability assessment was showing.

So I'm persuaded that Jaja's checks were proportionate, and that they made a fair lending decision to approve Miss E's application. That's not to say I'm not sympathetic to Miss E's situation that she's told us about. But based on Jaja's checks, I'm not persuaded that it would have been proportionate for them to carry out further checks such as requesting her bank account statements, as the information they had showed no signs that the credit limit would be unaffordable or unsustainable for her, or that she was having any financial difficulties at the time she was approved for the credit.

Miss E has said that Jaja hadn't contacted her for support. But as Jaja have said that Miss E had been maintaining her account then they wouldn't be aware if Miss E was in financial difficulty. In the final response letter Jaja have included details of the steps she can take if she is struggling to maintain her repayments. So Miss E should do this if she currently is struggling. But I can't fairly say that any future financial difficulty would have been foreseeable to Jaja at the time they completed their checks for this lending decision.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Jaja lent irresponsibly to Miss E or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 11 May 2026.

Gregory Sloanes
Ombudsman