

The complaint

Ms R complains that Lloyds Bank PLC irresponsibly provided her with a credit card.

What happened

Ms R holds a credit card with Lloyds; it was opened in 2022, with a limit of £2,500.

Some years later, in 2025, Ms R complained to Lloyds. She said, in summary, that Lloyds hadn't carried out proportionate checks before providing the credit card and it shouldn't have lent to her. Lloyds, in response, didn't uphold Ms R's complaint – it said it was satisfied appropriate checks had been carried out, and the results of those checks hadn't given it any cause for concern. Essentially, the credit card appeared sustainably affordable for Ms R at the time.

Ms R referred the matter to this Service for an independent review. An Investigator here looked at what happened; having done so, they didn't think Ms R's complaint should be upheld. They said:

- Lloyds had completed proportionate checks in the circumstances before agreeing to lend to Ms R.
- The results of those checks hadn't indicated any significant cause for concern.
- On that basis, the credit card wasn't irresponsibly provided to Ms R.

Ms R disagreed. She maintained her view that the credit card had been irresponsibly provided; she also added that she'd never applied for the credit card and, as such, believed that the credit agreement wasn't valid.

As no agreement has been reached, Ms R's complaint has been passed to me to decide.

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.

I'm aware this has been a deeply distressing time for Ms R. I'm truly sorry to read of what she's explained to us; I know several ongoing priorities have had a significant impact on her health, and I really do hope that her circumstances – and those of her companion, "G" – have improved.

Turning to the merits of this dispute, while Ms R will find this very disappointing, I'm not going to uphold her complaint about irresponsible lending. I'll explain why.

Fundamentally, Lloyds needed to make sure it didn't lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether Ms R could make her payments in a sustainable manner before agreeing to lend. If the checks Lloyds carried out *weren't* sufficient, then I'll need to consider what reasonable and

proportionate checks are likely to have shown.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship. That said, we might think it needed to do more if, for example, a borrower's income was low; or if the information the lender had – such as a significantly impaired credit history – suggested it needed to know more about a prospective borrower's ability to repay.

Here, for Ms R, Lloyds gathered details of her income – which it verified using a third-party report – and it used statistical data to help determine her day-to-day expenses. It also reviewed Credit Reference Agency ("CRA") data to build a view of Ms R's existing credit commitments and how she was managing them.

The results of those checks painted a stable picture of Ms R's finances at the time. Recorded CRA data suggested her existing commitments were up to date; her verified income against her declared outgoings (which were adjusted, using statistical estimations) showed she'd have enough disposable income to meet the repayments, and no County Court Judgments or Individual Voluntary Arrangements were recorded either. Overall, Lloyds' checks suggested Ms R was managing well at the time. In my view, there wasn't grounds for Lloyds to apply more scrutiny to Ms R's position or undertake further checks. Rather, given the information Lloyds obtained, I'm satisfied proportionate checks were carried out.

I know Ms R's opinion is such that Lloyds ought to have carried out significantly more detailed checks into her finances before agreeing to lend. The fact is, though, that there are no fixed checks a business must complete when reviewing an application for credit. There isn't any requirement on a lender to review specific things, such as bank statements, or pay slips, for example. So, I can't fairly say that Lloyds was wrong to not run those sorts of checks here; there was no regulatory requirement to do that, and I don't think the results of the checks it did run ought to have prompted it to go further. Instead, Lloyds was entitled to rely upon the information available at the time, and that data suggested Ms R was managing things well.

Ms R has mentioned how she was using her overdraft and had more expenses than Lloyds accounted for in its checks. She's said that information – if it had been reviewed – should've prompted a different lending decision. Simply put though, there was no requirement for Lloyds to forensically review Ms R's outgoings or current account conduct. While it did have access to her in-house current account, it wouldn't have needed to note *everything* she was spending; and neither having and using an overdraft, nor utilising credit facilities elsewhere, precludes someone from obtaining further credit. There's nothing substantially concerning in Ms R's current account statements from the time and, in any event, the fact remains that the broader picture at the time showed the credit card was likely affordable.

That will, of course, significantly disappoint Ms R – and that's entirely understandable. For the reasons I've explained, though, there's not enough for me to conclude that Lloyds' decision to provide the credit card ought to have been different or that it was irresponsible.

To be clear, I'm not saying that Ms R wasn't – or isn't now – under financial pressure. It's just ultimately, as with any complaint, the key point to remember here is that it's only fair and reasonable for me to uphold a complaint in circumstances where I can conclude a business did something wrong. Here, I don't think Lloyds could have known – or ought to have known – that this credit card was unaffordable at the time of lending. So, for the reasons I've

already given, I can't fairly conclude that Lloyds acted irresponsibly or otherwise treated Ms R unfairly in relation to this matter; it follows that I don't uphold the complaint. 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.

In closing, as a final point, I want to be clear that this decision focusses solely on Lloyds' decision to provide Ms R the credit card. That's important to state, because I know Ms R now disputes the legitimacy of the credit agreement; she says, in short, that she never applied for this credit card. Our Investigator has already supplied a copy of the agreement, and they've explained to Ms R that she can raise a complaint about its enforceability if she hasn't yet done so. That remains the case; so, I'll leave it to Ms R to contact Lloyds if she does indeed wish to pursue that aspect.

My final decision

My final decision is that I don't uphold Ms R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 21 May 2026.

Simon Louth
Ombudsman