

The complaint

MBNA Limited (MBNA) provided Mr S with a credit card in 2023. It had a credit limit of £9,600. Mr S says the credit was provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

On 3 March 2025, a colleague issued a provisional decision. In summary they said:

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

Having considered everything, I'm not upholding Mr S's complaint. I'll explain my reasoning below:

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr S's case.

I've decided the credit was provided fairly because:

- I don't think the checks MBNA did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Mr S's financial situation.*
- Mr S declared his annual income was £48,000 a year. MBNA considered information from a credit reference agency which showed there were no defaults or CCJs against Mr S's name, and his existing credit commitments were up to date. It estimated Mr S's mortgage payment, essential living expenses and payments to his existing credit commitments, and deducting these amounts from his income estimated that Mr S had £1,087 monthly disposable income.*
- If MBNA had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the credit to Mr S. I say this because the bank statements Mr S has provided show that he had sufficient disposable income for the credit card to be sustainably affordable. Mr S has said he was using his overdraft heavily, but the bank statements show limited use of his overdraft for short periods of time.*
- So, based on the information Mr S has provided about his circumstances at the time, there was nothing to suggest Mr S was likely to be unable to sustainably repay what he was being lent.*
- I don't think MBNA acted unfairly in any other way.*

This means I don't think MBNA did anything wrong when it provided the credit card to Mr S.

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 MBNA lent irresponsibly to Mr S or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr S hoped for. But for the reasons above, I'm not asking MBNA to do anything to put things right.

MBNA didn't respond to our provisional decision but Mr S didn't accept it. Mr S provided further documents and arguments for me to consider but in doing so, I haven't been persuaded that the lending was irresponsible.

Mr S provided us with an affordability reconstruction from April 2023 and which concluded that Mr S's disposable income was a lot less than MBNA had assessed it to be. But even using the figures provided by Mr S, he was still left with a monthly disposable income of approximately £487. I think even with this smaller amount MBNA would have still made the decision to lend given what it knew about Mr S.

Mr S has told us that prior to his salary going into his account, he would use his overdraft facility and at times neared the limit. He also told us that he was making regular payments to other credit providers. But the existence of other credit debt is not a bar to future lending and from the evidence I've seen, there was no adverse credit information and which indicated Mr S was maintaining his current credit commitments well and that included his overdraft facility which I don't consider was used excessively. From the evidence I've seen, there was nothing to suggest the new credit card limit wasn't affordable or sustainable going forward.

I appreciate that Mr S appears to be suggesting that his actual circumstances may not have been fully reflected in the information MBNA obtained. However, I can only uphold a complaint against a business where I'm satisfied it has done something wrong. And based on the evidence I've seen, and the information MBNA would have seen at the time from Mr C's credit report, I'm satisfied MBNA hasn't done anything wrong and made a fair lending decision.

Mr S also told us he was concerned that the credit relationship may have been unfair within the meaning of section 140A of the Consumer Credit Act 1974. But as my colleague already pointed out in their provisional decision, they didn't think MBNA lent to Mr S irresponsibly or otherwise treated him unfairly. And I agree. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

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.

After carefully reviewing this matter and considering what Mr S said in his response to our provisional decision, I can confirm that I have no reason to depart from our provisional findings for my reasons given above and I now confirm them as final.

My final decision is I don't uphold Mr S's complaint. I appreciate that Mr S will be disappointed with this. But having considered everything that both parties have said and submitted, I'm simply not persuaded, in the particular circumstances of this case, that MBNA acted unfairly in its lending to Mr S.

I'm sorry to hear about Mr S's recent financial difficulties and hope his situation improves soon.

My final decision

My final decision is that I don't uphold Mr S's complaint against MBNA Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 May 2026.

Paul Hamber
Ombudsman