

## **Complaint**

Mr D has complained that Fluro Platform Limited (trading as “Lending Works”) unfairly brought about an unaffordable loan for him.

He’s said that the loan was unaffordable and the checks carried out weren’t thorough enough as they did not stress test his ability to make the required payments.

Fluro Platform Limited arranged this loan when under its previous name Lending Works so for ease of reference I will refer to Lending Works in the course of this decision.

## **Background**

Lending Works operated the electronic system in relation to lending which led to Mr D being provided with a loan in August 2021. The loan was for £17,100.00. The agreement had an APR of 13.2% a 60-month term and the total amount of £23,059.43, including interest and other charges of £5,959.54, was due to be repaid in 60 monthly instalments of £384.55.

Mr D’s complaint was reviewed by one of our investigators. He thought that Lending Works hadn’t done anything wrong or treated Mr D unfairly. So he didn’t recommend Mr D’s complaint be upheld.

As Mr D disagreed with our investigator’s view, the complaint was passed to an ombudsman.

## **My findings**

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

Having carefully considered everything, I’ve decided not to uphold Mr D’s complaint. I’ll explain why in a little more detail.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Mr D’s complaint.

Lending Works needed to carry out proportionate checks to be able to understand whether Mr D could afford to make the monthly payments before bringing about this loan for him. 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 it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

As I understand it, this was Mr D's first agreement with Lending Works. And Lending Works' enquiries into Mr D's circumstances consisted of asking him about his employment and income as well as some information about his income. I understand that Lending Works cross checked Mr D's declaration of income against information from credit reference agencies on the funds going into his main bank account each month.

It also carried out a credit check which showed Mr D had some existing credit commitments with no significant previous repayment issues. Crucially, the credit search also indicated that Mr D's existing indebtedness wasn't excessive considering his monthly income.

As there was no significant adverse information on Mr D's credit file and the information on the application shows that he was taking the loan for consolidation purposes, I don't think that it was unreasonable for Lending Works to rely on the information provided which suggested that the monthly repayments were affordable.

I also accept that it's possible Mr D's actual circumstances may not have been fully reflected either in the information he provided, or the information Lending Works obtained. For example, I note that Mr D has referred to two loans that he'd taken out in the period leading up to this application. And he believes that Lending Works should have seen these loans in its credit checks. However, it can take up to 90 days for new lines of credit to be reflected by all reporting agencies and this is why these loans didn't show up in Lending Works' checks.

So Lending Works didn't know about these loans and I don't think that it could be reasonably be expected to have known about them either. Equally, while I sympathise with the fact that Mr D's mortgage payments have substantially increased and that this has a significant impact on his ability to make his payments, Lending Works could not have known about this either. I wouldn't expect a lender to 'stress test' an unsecured loan in the way that Mr D appears to be suggesting either.

I've also seen that Mr D says that Lending Works should have obtained bank statements from him. It is fair to say that in certain circumstances it might be appropriate for a lender to ask for bank statements. Indeed, this is what some mortgage providers require before making a decision on whether to lend to a customer. However, Lending Works wasn't bringing about a mortgage for Mr D. It was arranging an unsecured loan for Mr D which he said would be used to consolidate some of his existing credit.

In this case, Lending Works was entitled to rely on the information it had available at the time. It won't have known whether Mr D would go on to repay existing debt, like he said he would, or even if he did whether he might take out further credit afterwards. All Lending Works could do was take reasonable steps and rely on assurances from Mr D that the balances would be repaid with these funds.

So I'm satisfied that the proceeds of this loan could and should have been used to clear some of Mr D's existing balances. And as this was a first loan Lending Works was arranging for Mr D with and bearing in mind everything that it did have, I don't think it needed to obtain bank statements before proceeding in this instance.

It's only fair and reasonable for me to uphold a complaint in circumstances where a lender did something wrong. Given the circumstances here, and the lack of obvious inconsistencies or signs of difficulty in the information gathered, I don't think that reasonable and proportionate checks would have extended into the level of checks Mr D is suggesting.

I'm therefore satisfied that Lending Works carried out proportionate checks based on the circumstances at the time. And as those checks suggested the repayments would be

affordable for Mr D, I don't think that Lending Works did anything wrong in approving this loan.

So overall I don't think that Lending Works treated Mr D unfairly or unreasonably when bringing about his agreement. As this is the case and while I sympathise with Mr D as a result of any difficulties he might have gone on to have, I'm afraid that I'm not upholding his complaint. I appreciate this will be very disappointing for Mr D. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 4 April 2025.

Jeshen Narayanan  
**Ombudsman**