

The complaint

Mr B complains that a loan he took from Gain Credit LLC trading as Lending Stream in September 2017 was paid off in full in December 2017. Mr B says that the subsequent arrears and default for that loan account was incorrect. It has caused him several years of poor financial status which has affected his life.

What happened

Mr B took a loan from Lending Stream in 2017. He says he repaid it and so the default applied to the account in July 2018 was wrong and has caused extensive damage to his credit history and his ability to obtain finance. It has affected a possible mortgage application recently. It has caused him distress. He wants his credit file to be amended and for it to be removed. He wants compensation and one of the figures he has mentioned was £100,000.

After Lending Stream had received his complaint, responded to it and the complaint had been referred to the Financial Ombudsman Service, one of our investigators looked at it. Her view was that the complaint should not be upheld as Lending Stream appeared to think that Mr B's payment in December 2017 was for another loan about which it has no details now. Our investigator did not have enough evidence to show her that Lending Stream got it wrong when that December 2017 payment was made. So, she did not think that Mr B's complaint should be upheld.

Mr B disagreed and the unresolved complaint was passed to me to decide.

After I received the complaint and had reviewed it I asked Mr B and Lending Stream for more information all of which I have received and read carefully. I asked Lending Stream if Mr B had made a complaint before but it has no record.

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've decided not to uphold Mr B's complaint and I realise he will be disappointed and so I have explained why in detail in this decision.

Did Mr B make a payment to Lending Stream of £261.20

Having seen Mr B's bank account statements for September 2017 to July 2018 I am satisfied that the £261.20 payment was made to Lending Stream on 22 December 2017. It appeared on his bank statement as a debit on 27 December 2017 but that often happens especially around a bank holiday as that was the Christmas holiday in 2017. And Lending Stream has confirmed that the payment was made and so this seems to be undisputed.

What loans did Mr B have with Lending Stream in 2017

The bank statements show me that Mr B had two loans with Lending Stream. I have seen £250 from Lending Stream credit his account on 4 September 2017. And I have seen a further £120 from Lending Stream credit that same account on 16 October 2017.

I checked with Lending Stream some points of detail to try to find additional information. One point was about the application reference number and the credit agreement reference number being different and whether they related to the same loan. The answer was yes. The one taken 4 September 2017 was the one ending *3427.

I asked Lending Stream about the second loan. It has no details at all of the second loan taken as it deletes information after 5 - 6 years following a loan being fully repaid. That's unfortunate, but there's nothing I can do to alter that. I asked for account notes and it had none but it did send to me all the emails it had received from Mr B. From those copy emails and images, I have seen that Mr B sent to Lending Stream, at its request, a copy of his August 2017 payslip which would have been for the 4 September 2017 loan application. And then he sent to it a copy of his 25 September 2017 payslip which would have been for the 16 October 2017 loan application. So, I am satisfied that there were two loans.

I've used all the information from both parties for this table. 'LS' = Lending Stream.

Loan	Date approved	Amount	Interest	Total to pay	LS said Mr B had paid	LS states closed
1 *3427	4 September 2017	£250	£235	according to loan agreement £474.40	£252 (interest and capital)	22 December 2020
2	16 October 2017	£120	unknown	unknown	unknown	unknown

What happened in relation to the payments made to Lending Stream?

From reviewing Mr B's bank statements for the period 1 September 2017 to July 2018 I've seen that Mr B made the following payments to Lending Stream:

25 September 2017	£42
27 October 2017	£112
22 December 2017	£261.20

My calculations show that Mr B's total indebtedness to Lending Stream for the two loans (and this is without knowing the interest charged on loan 2) was at least £594.40. This is made up of £474.40 for loan 1 and at least £120 for loan 2 but likely more. And having looked up to July 2018 I have only found the payments listed above which were worth £415.20. This would not have been enough to cover even loan 1 without adding in the debt for loan 2 as well.

So, on the information I have, I am satisfied that Mr B did not pay the loans off in December 2017. It may be that the payment went to pay off one of them but this is not confirmed due to lack of details. But it looks like Mr B was not chased for payment for loan 2 and so it seems very likely loan 2 was repaid around Christmas time 2017.

And it follows it's likely that Mr B was asked for the arrears for loan 1 (*3427) and that it eventually led to a default being applied to his account on 25 July 2018.

A series of emails from both parties has led me to put together a short chronology:

12 March 2018	Lending Stream tells Mr B loan *3427 had an outstanding balance on it of £197.80, that the account was seriously in arrears and £50.20 was due 26 March 2018.
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21 April 2018	Lending Stream informed Mr B that loan *3427 was being assigned to a debt collection agent
July 2018	Lending Stream informed Mr B he owed £248 and had done since 27 February 2018
22 Dec 2020	The debt was assigned to a third party debt purchaser. The balance due was £248 and the debt was legally owned by that party. This date coincides with the Lending Stream details I have seen that it marked the account 'closed' which often is done when a debt is sold on.
29 January 2021	The debt owner informs Mr B that the balance outstanding was £248
14 January 2025	Debt owner confirms Mr B had successfully paid off Lending Stream loan *3427

These details when all read together show me that Mr B did not pay anything, or did not pay enough, to Lending Stream after that 22 December 2017 payment and so the account got into arrears.

I asked Mr B if he had another bank account from which payments may have been made in 2017 and 2018 to Lending Stream but he has explained that a new current account was opened in 2019. So, he did not consider that account relevant and I have not seen copies of that other account statements.

In the absence of other evidence and having pieced together what I have, I have decided that I do not uphold Mr B's complaint about Lending Stream having made a mistake in December 2017.

It follows that I will not be directing Lending Stream to do anything.

I appreciate Mr B is concerned about his credit file but having reviewed the personal copies of his credit files dated 13 and 15 November 2024, sent to us by Mr B, the Lending Stream loans do not show. This will be due to the passage of time as paid loans and defaults are deleted after six years, and six years have passed.

There is one default recorded on one of the copies of his credit file – one with a default balance of £209 dated 29 June 2020. It has the same debt purchaser's name there and it relates to an Advance Against Income loan ending *8016. As the Lending Stream default was dated July 2018 then I think it's unlikely this record relates to either of the Lending Stream loans.

The other issues Mr B has raised relating to the mortgage application and to the Credit Reference Agencies, Mr B will have to complain to them separately and I understand that he has already done that.

Although Mr B's complaint against Lending Stream has not been upheld I hope that he feels that it has been looked at thoroughly.

My final decision

My decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 April 2025.

Rachael Williams
Ombudsman