

The complaint

Mr C complains that Admiral Financial Services Limited trading as Admiral Money lent to him irresponsibly.

What happened

Mr C applied to Admiral for a loan which was agreed on the following terms:

Date	Amount	Term	Monthly repayment	Total payable
16 November 2023	£7,000	48 months	£190.81	£9,158.88

On 27 September 2024, Mr C complained to Admiral. He said the loan had been unaffordable from the outset and had Admiral done proper checks, it would have seen he had debts totalling £20,000 and was in financial difficulty. He said he struggled to make the repayments as he didn't want his credit file affected and he had a gambling addiction. To resolve his complaint, Mr C asked Admiral to refund the charges and interest he'd paid and remove any negative markers from his credit file.

Admiral looked into Mr C's complaint and issued a final response letter. It set out the checks it had done and explained why it felt the loan had been affordable for him when it was agreed. It explained it had had no need to review his bank statements as part of its checks, so it didn't know he had a gambling problem. Admiral didn't uphold the complaint.

Mr C didn't accept Admiral's response, so he referred his complaint to our service. One of our investigators looked into it. He felt the checks Admiral had carried out on Mr C's application were reasonable and proportionate. He explained that he felt Admiral had reached a fair decision to lend to Mr C. Our investigator didn't uphold the complaint.

Mr C didn't agree with our investigator, so as there was no agreement, the complaint has been passed to me for a decision.

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.

We've set out our approach to complaints about irresponsible and unaffordable lending on our website – including the key relevant rules, guidance, good industry practice and law. I've considered this approach when deciding this complaint.

Admiral needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Mr C irresponsibly. I think there are key questions I need to consider in order to decide what is fair and reasonable in the circumstances of this complaint:

- Did Admiral carry out reasonable and proportionate checks to satisfy itself that Mr C was in a position to sustainably meet the repayments?
- If not, what would reasonable and proportionate checks have shown at the time?

- Did Admiral make a fair lending decision?
- Did Admiral act unfairly or unreasonably towards Mr C in some other way?

Admiral had to carry out reasonable and proportionate checks to satisfy itself that Mr C would be able to repay the loan sustainably. It's not about it assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on him.

The rules lenders must follow are set out by the industry regulator, the Financial Conduct Authority, in its Consumer Credit Sourcebook (CONC), but there is no set list of checks they need to do. They could take into account several different things such as the amount and length of the loan, the amount of the repayments and the overall circumstances of the borrower.

When he applied for the loan, Mr C declared he earned £32,000 a year, had one dependant and was living with his parents. Admiral calculated his monthly income as being around £2,140 and deducted a figure of £426 for housing costs and £107 for his pension. It checked his credit file and calculated his payments to existing creditors as £620 or so. It used statistics provided by the Office for National Statistics (ONS) to calculate his other living costs which gave a figure of £306 per month.

Those figures meant Admiral calculated Mr C had total monthly outgoings – including the repayment to this loan - of £1,650. This meant he had a monthly disposable income of £490. Admiral noted too that £4,000 of the loan was to repay a credit card, so it was likely to increase his disposable income to £615 or so.

Admiral noted that Mr C did have a number of credit cards and loans elsewhere totalling £11,000 and they were up to date at the time of the application. It saw he'd defaulted on a credit card in 2017 – which had since been cleared – but it viewed that as historic.

Mr C has said he feels it is wrong for Admiral to rely on an estimate of his expenditure, and I understand his strength of feeling here. However, CONC 5.2A.19R, says lenders may take into account statistical data unless they know or have good reason to suspect the customer's non-discretionary expenditure is significantly higher than as described in the data.

Nothing I've seen makes me think that Admiral ought to have had any concerns about what Mr C told it or about what it found out for itself. So I don't think it would be reasonable to expect it to have asked further questions or taken extra steps such as reviewing his bank statements. It follows that I don't think Admiral would have discovered Mr C's gambling issues unless he had told it.

Overall, bearing in mind the regulations within which Admiral has to work, I think the checks it carried out were reasonable and proportionate in the circumstances. It follows that I think it reached a fair decision to lend to Mr C.

Did Admiral act unfairly or unreasonably towards Mr C in some other way?

I've carefully read and considered all the evidence provided by each party to this complaint. I note that Mr C has been able to keep up with his repayments to the loan, albeit I acknowledge he says that has been difficult. I note too that Admiral has asked him to contact it to discuss a repayment plan which is what I'd expect it to do. I would encourage Mr C to do so if he is struggling with the repayments, and I remind Admiral of its obligation to treat customers in difficulty fairly.

For the reasons I've already given, I don't think Admiral lent irresponsibly to Mr C or

otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A of the Consumer Credit Act 1974 would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 October 2025.

Richard Hale
Ombudsman