

The complaint

Mr H complains that Gain Credit LLC, trading as Lending Stream, irresponsibly provided him with a number of loans.

What happened

Lending Stream provided Mr H with the following loans:

- Loan 1 for £80 provided in June 2017, with a total amount repayable of £126 to be repaid over six instalments
- Loan 2 for £200 provided in April 2018, with a total amount repayable of £375.04 to be repaid over six instalments
- Loan 3 for £200 provided in June 2018, with a total amount repayable of £394.88 to be repaid over six instalments
- Loan 4 for £50 provided in September 2018, with a total amount repayable of £94.96 to be repaid over six instalments
- Loan 5 for £100 provided in September 2018, with a total amount repayable of £188.06 to be repaid over six instalments
- Loan 6 for £100 provided in September 2018, with a total amount repayable of £186.06 to be repaid over six instalments
- Loan 7 for £100 provided in September 2018, with a total amount repayable of £184.93 to be repaid over six instalments
- Loan 8 for £130 provided in October 2018, with a total amount repayable of £257.73 to be repaid over six instalments
- Loan 9 for £250 provided in October 2023, with a total amount repayable of £472.96 to be repaid over six instalments
- Loan 10 for £200 provided in October 2023, with a total amount repayable of £373.29 to be repaid over six instalments
- Loan 11 for £250 provided in November 2023, with a total amount repayable of £496.29 to be repaid over six instalments

In summary, Mr H says Lending Stream didn't carry out appropriate checks before lending, and he was already in significant financial distress. He says the loan funds were used to gamble.

Lending Stream reviewed matters and didn't uphold the complaint about the provision of loans 1-4 or loans 9-11. It upheld loans 5-8, but it said there was no redress due to Mr H once the refund of interest and charges had been offset against outstanding balances. It also said it would contact the Credit Reference Agencies to make the necessary adjustments to Mr H's credit file.

Mr H remained unhappy and brought his complaint to this service. He said the refund was used to offset an outstanding balance that he wasn't aware he had. He also said he told Lending Stream that he was gambling several years earlier and asked it to close his accounts, yet he was allowed to take out more loans in 2023.

An Investigator here reviewed matters and acknowledged that Lending Stream already upheld loans 5-8; he thought it had offered redress as this service would expect. He didn't think the other loans were irresponsibly provided. He also noted that neither party had evidenced Mr H contacting Lending Stream about gambling years earlier.

Lending Stream didn't dispute this position, but Mr H did and said he thought Lending Stream ought to have requested bank statements which would have revealed that he was reliant on loans and was gambling. He also says he missed payments with Lending Stream in 2018.

Overall, an agreement hasn't been reached and so the case 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.

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

Lending Stream needed to ensure it didn't lend irresponsibly. In practice, this means it needed to carry out proportionate checks to be able to understand whether Mr H could afford to repay before providing the loans.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, it might be reasonable and proportionate 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.

Before lending to Mr H, Lending Stream asked him for information about his income and essential expenditure. It then used external sources to check this, adjusted some figures and then used these adjusted figures as part of its calculations on occasion. It also completed a credit check with the Credit Reference Agencies ("CRAs").

Loan 1 was for a modest amount and was the first loan being provided here. Overall, Lending Stream's checks didn't reveal any obvious financial difficulties and suggested this loan with modest monthly repayments was affordable for Mr H. Overall, I don't think it was unreasonable to provide the loan.

There was then a gap of around ten months before loan 2 was provided. Lending Stream has provided information which shows loan 1 had since been closed. The checks carried out before loan 2 also didn't reveal any obvious difficulties, and so I think it was reasonable to provide this loan too. Loan 3 was taken around two months later, and loan 4 around three months after this and I'm conscious that it appears that loans 2 and 3 remained outstanding when loan 4 was taken. However, I'm aware that these were for relatively modest amounts, and the checks revealed that these were likely to be affordable for Mr H. Therefore, I don't think it's unreasonable that these loans were provided.

Lending Stream has already upheld loans 5-8 taken shortly after loan 4. For the avoidance of doubt, I think that's fair. As I understand it, it calculated interest and charges on these loans and offset this against balances Mr H owed on loans held with Lending Stream. It says all balances on all loans have been repaid and it will contact the CRAs to update Mr H's credit file accordingly. Overall, this is broadly in line with what I'd expect, and I think its offer here is fair and reasonable. As I understand it, the required actions have already been carried out, and so I don't think Lending Stream needs to do anything further here.

Loans 9-11 were taken around five years later, in 2023. Lending Stream has provided information to suggest that all the previous loan accounts had closed several years earlier. On the face of it, this seems to be the case. I've noted that it appears Lending Stream made some adjustments to various accounts when it upheld loans 5-8. However, I've not been presented with enough to persuade me that Mr H was approved for new lending, in 2023, whilst being actively chased for previous outstanding balances.

I understand that Mr H says he had some difficulties with repayments in 2018, though I'm conscious that this was around five years before new lending was provided. Mr H also says he made Lending Stream aware of difficulties he faced with gambling, however neither party has evidenced the contents of these conversations. And as outlined, the additional loans were provided close to five years later.

Having reviewed the information gathered before providing loans 9-11, I've not seen anything to persuade me that Lending Stream ought to have been aware of any financial difficulties Mr H may have been experiencing. Its checks didn't reveal any obvious issues and indicated that the lending would be affordable. Again, I'm conscious that loans 9 and 10 remained live when loan 11 was provided. But these were relatively modest limits, and the checks revealed the repayments were likely to have been affordable. So, in the round, I don't think Lending Stream acted unfairly here.

I appreciate Mr H thinks Lending Stream ought to have requested his bank statements before lending. However, considering all the circumstances, including the relatively modest limits provided, I think the checks carried out were reasonable and proportionate and revealed the lending was likely to have been affordable. It follows that I don't think Lending Stream's checks needed to go further in the circumstances of this particular case.

Therefore, overall, I don't think Lending Stream acted unfairly by providing Mr H with these loans. I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Lending Stream lent irresponsibly to Mr H or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons outlined above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 February 2026.

Hana Yousef
Ombudsman