

The complaint

Mr E complains Gracombex Ltd trading as The Money Platform (TMP) irresponsibly lent to him.

What happened

In February 2024, Mr E took one loan with TMP. It was for £500, repayable over a term of 84 days. The total amount payable, including interest and charges, was £724. This was to be repaid by three monthly instalments of £278.67, £241.34 and a final instalment of £203.99.

In November 2024, Mr E complained to TMP about its decision to lend. In doing so, Mr E said that a review of his credit file would have given TMP cause to conclude the lending was unaffordable. Mr E has also said that he was consistently borrowing from lenders, and he was using his overdraft at the time of the lending.

The available evidence suggests, shortly after receiving his complaint, TMP asked Mr E for more information to assist with its investigation. It appears this information was not forthcoming, so TMP sent Mr E a letter in early January 2025 in which it requested the information again. It also invited Mr E to contact our service if he remained unhappy.

Mr E referred his complaint to our service in January 2025.

One of our investigators reviewed Mr E's complaint. The investigator issued their first opinion in April 2025 in which they upheld the complaint. They did so on the basis that TMP did not carry out reasonable and proportionate checks prior to agreeing to lend and, if it had carried out such checks, it would likely have discovered that the lending *had low disposable income [which left] him with very limited capacity for unexpected expenses or emergencies*. Therefore, the investigator concluded TMP was wrong to lend to Mr E.

TMP did not agree and, in doing so, provided further information. As a result, the investigator revisited matters and issued a second opinion in May 2025. In their second opinion, the investigator didn't think TMP had treated Mr E unfairly, and so they didn't recommend that the complaint be upheld. In doing so, the investigator said that TMP had completed reasonable and proportionate checks prior to agreeing to lend and the information it gathered as a result of those checks wouldn't have given it cause to refuse to lend.

Mr E didn't agree with the investigator's findings and so the complaint was passed to me to review afresh.

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.

The Financial Ombudsman Service has set out its general approach to complaints about irresponsible and unaffordable lending on its website. And, having taken this into account along with everything else I need to consider, I don't think it would be fair or reasonable to

uphold this complaint. I recognise this will be disappointing for Mr E. I hope my explanation helps him to understand why I've come to this conclusion.

TMP needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr E could repay the loan repayments when they fell due and without the need to borrow further.

These checks weren't prescriptive, but could take into account a number of different things such as how much was being lent, the repayment amounts and the consumer's income and expenditure.

So, in keeping with the information on the Financial Ombudsman Service's website, I think there are a number of overarching questions I need to consider when deciding a fair and reasonable outcome given the circumstances of this complaint:

1. Did TMP carry out reasonable and proportionate checks to satisfy itself that Mr E was likely to have been able to repay the borrowing in a sustainable way?
 - i. If TMP carried out such checks, did it lend to Mr E responsibly using the information it had?

Or
 - ii. If TMP didn't carry out such checks, would appropriate checks have demonstrated that Mr E was unlikely to have been able to repay the borrowing in a sustainable way?
2. If relevant, did Mr E lose out as a result of TMP's decision to lend to him?
3. Did TMP act unfairly or unreasonably in some other way?

There are many factors that could be relevant when determining how detailed proportionate checks should have been. And while much will depend on the circumstances in question, the more obvious factors include – though aren't necessarily limited to:

- The type of credit Mr E was applying for along with the size, length and cost of the borrowing; and
- Mr E's financial circumstances – which included his financial history and outlook along with his situation as it was, including signs of vulnerability and/or financial difficulty.

And generally speaking, I think reasonable and proportionate checks ought to have been more thorough:

- The lower an applicant's income because it could be more difficult to make the repayments as a result;
- The higher the amount repayable because it could be more difficult to meet a higher repayment, especially from a lower level of income; and
- The longer the loan term, because the total cost of the credit was likely to have been greater given the longer time over which repayments have to be made.

As a result, the circumstances in which it was reasonable to conclude that a less detailed

affordability assessment was proportionate strike me as being more likely to be limited to applicants whose financial situation was stable and whose borrowing was relatively insignificant and short-lived – especially in the early stages of a lending relationship.

I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Mr E's complaint.

Did TMP carry out reasonable and proportionate checks?

TMP has told us that, prior to agreeing to lend, it gathered information on Mr E's income and housing costs. It did electronic checks to verify his income.

TMP relied on statistical information to estimate Mr E's living costs. It also carried out credit checks which provided some information about Mr E's credit history and what he was paying to service his existing credit commitments. It is worth saying here that although TMP carried out a credit search there wasn't a regulatory requirement to do one, let alone one to a specific standard. But what TMP couldn't do is carry out a credit search and then not react to the information it received – if necessary.

It wasn't a particularly large loan, and the monthly repayments were not substantial in relation to what TMP understood to be Mr E's income. And it was repayable over a reasonably short period of time.

Further, this appears to have been Mr E's first loan with TMP. As such, I don't think there was any established pattern in his borrowing needs, at least from TMP, at that stage. Therefore, I think TMP proceeded with a proportionate amount of information.

However, once TMP had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Mr E could afford to meet the loan repayments in a sustainable way over the term of the loan.

Did TMP lend to Mr E responsibly using the information it had?

The information TMP gathered suggested Mr E's income was £1,500 per month. From this, TMP deducted £100 for rent (a figure Mr E declared as part of his application), £623 for 'living expenses' (sourced from statistical data) and £336 to service his existing credit commitments (sourced from the credit check it carried out). It also applied a £100 'buffer'.

Deducting all of this from Mr E's income, it looked like he had £441 disposable income per month before the lending in question was taken into account. By deducting the largest monthly repayment for the lending in question (£278.67) from this figure, Mr E was left with £162.33. So, TMP was satisfied that the loan repayments for this loan should've been affordable for Mr E on a simple pounds and pence basis. This is, in my view, a reasonable conclusion in the circumstances.

I've turned to look at the results from the credit check TMP carried out. The results suggested there was no indication of any active defaults, insolvencies or any other public records – such as County Court Judgments – about which TMP had been informed.

I note the report did provide some indicators that Mr E *may* have been having some problems managing his money. For example, I can see Mr E had opened three accounts in the three months prior to the lending in question. And the report also suggested that Mr E had a not insignificant level of unsecured debt.

But here I note Mr E appeared to be managing his accounts well. As far as I can determine, there was no recent arrears markers on his accounts and the combined monthly repayment for this debt (which TMP factored into its income and expenditure calculation) was not a concern.

So, looking at things in the round, I don't think the results of the credit check TMP carried out should have prompted further checks or prevented it from lending to Mr E. I say this keeping in mind the rest of the information TMP gathered as part of its checks wouldn't have given it cause for concern.

And bearing in mind it wasn't an unusually large loan and it was repayable over a period of just three months, I don't think TMP had any good reason to think Mr E's financial situation was likely to change significantly during the loan term such that he would experience difficulty making the monthly repayments as they fell due.

I understand Mr E says that his financial situation was worse than the information TMP gathered at the time suggested. However, for the reasons I've explained, I think TMP carried out proportionate checks even though it looks like some of the information it was provided with didn't tell the whole story. It relied, reasonably in my view, on the information it did have which wouldn't have alerted it to Mr E's problems.

And given the size of Mr E's monthly repayments, I don't think it was unreasonable of TMP to grant this loan with all of that being the case.

Did TMP act unfairly or unreasonably in some other way?

I've also considered whether TMP acted unfairly or unreasonably in some other way given what Mr E has complained about, including whether their relationship with him might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think TMP lent irresponsibly to Mr E or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

Whilst I recognise this will be disappointing for Mr E, I do not think TMP has acted unfairly here and, therefore, I do not uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 16 October 2025.

Ross Phillips
Ombudsman