

The complaint

Mr H complains Savvy Loan Products Limited trading as Tick Tock Loans (TTL) irresponsibly lent to him.

What happened

TTL provided Mr H with two loans as follows:

Loan Number	Date of Sale	Loan Amount	Monthly Repayment	Loan term (days)
1	09/03/2024	£300	£93.91	174
2	04/11/2024	£400	£128.22	176

In December 2024, Mr H complained to TTL about its decision to lend. In doing so, Mr H said that if TTL had looked properly at his situation it would have been alerted to the fact he had a lot of financial problems such that it would have known the lending was unaffordable.

In January 2025, TTL issued its final response letter in which it did not uphold the complaint. In doing so, it said the checks it carried out suggested the loans would have been affordable for Mr H. It did, however, make an offer without prejudice as follows:

1. *Decrease [the] remaining balance by £30;*
2. *Completely remove [the] loans from Credit Reference Agency files upon full repayment.*

Unhappy with this, Mr H referred his complaint to our service.

One of our investigators reviewed Mr H's complaint. But they didn't think TTL had treated Mr H unfairly, and so they didn't recommend that the complaint be upheld. In doing so, the investigator said that TTL 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 H 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 H. I hope my explanation helps him to understand why I've come to this conclusion.

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

Or
 - ii. If TTL didn't carry out such checks, would appropriate checks have demonstrated that Mr H was unlikely to have been able to repay the borrowing in a sustainable way?
2. If relevant, did Mr H lose out as a result of TTL's decision to lend to him?
3. Did TTL 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 H was applying for along with the size, length and cost of the borrowing; and
- Mr H'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 H's complaint.

Loan 1

Did TTL carry out reasonable and proportionate checks?

Prior to agreeing to lend, Mr H was asked to provide details of his monthly income. Mr H declared a monthly income of £1,800 and TTL says there was a "high level match" between the figure Mr H declared and the estimated income given by a credit reference agency. It therefore considered Mr H's monthly income to be at least £1,800 per month. For a first loan, I think that was a fair course of action for TTL to have taken.

Mr H was also asked to provide details about his housing status and monthly expenditure. Mr H declared he was 'living with parents, family' and he declared monthly outgoings of £250 which included rent¹, credit commitments, food and transport costs. TTL used national averages as well as information from Mr H's credit file to make an upward adjustment to his declared monthly expenditure. For its affordability assessment it used monthly outgoings of around £1,189.09. It also applied a 'safety buffer' of £100.

Deducting these figures (a total of £1,289.09) from what TTL understood to be Mr H's monthly income, he was left with disposable income of around £510.91 to make his loan repayments of £93.91. So, based on this information the loan looked affordable.

TTL also carried out a credit search and it has provided the results it received from the credit reference agency. It is worth saying here that although TTL carried out a credit search there wasn't a regulatory requirement to do one, let alone one to a specific standard. But what TTL 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 Mr H's declared (and verified) income. And it was repayable over a reasonably short period of time. Further, this appears to have been Mr H's first loan with TTL. As such, I don't think there was any established pattern in his borrowing needs, at least from TTL, at that stage. Therefore, I think TTL proceeded with a proportionate amount of information.

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

Did TTL lend to Mr H responsibly using the information it had?

As I've said, using the information TTL gathered about Mr H's financial circumstances, it looked like he had £510.91 disposable income per month before the lending in question was taken into account. So, TTL was satisfied that the loan repayments (£93.91) for Loan 1 should've been affordable for Mr H on a simple pounds and pence basis.

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

¹ Mr H appeared to indicate that his housing expenditure was shared with three other individuals. In the event, TTL proceeded on the basis Mr H was solely liable for these costs.

I note the report did indicate Mr H had opened seven accounts in the six months prior to the lending in question, which *may* be an indicator of an over-reliance on credit to get by. But Mr H appeared to be managing his accounts well. There was one recent arrears marker on a mail order account but it appeared this account had been brought back up to date. What's more, the report also suggested that Mr H's total unsecured debt was £3,797 – so TTL had cause to conclude Mr H was not over-indebted, particularly when compared to his income.

So, looking at things in the round, I don't think the results of the credit check TTL carried out should have prompted further checks or prevented it from lending to Mr H.

And bearing in mind it wasn't an unusually large loan and it was repayable over a period of around six months, I don't think TTL had any good reason to think Mr H'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 H says that his financial situation was worse than the information TTL gathered at the time suggested. Indeed, I note Mr H has said that he was heavily gambling at the time. However, for the reasons I've explained, I think TTL 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 H's problems.

And given the size of Mr H's monthly repayments, I don't think it was unreasonable of TTL to grant Loan 1 with all of that being the case.

Loan 2

Did TTL carry out reasonable and proportionate checks?

Prior to granting Loan 2, TTL again asked Mr H to provide information about his income. Mr H declared his monthly income had increased since Loan 1 to £2,250. TTL asked Mr H to provide a copy of his most recent payslip in order to verify this figure. Having received this information TTL, for the purposes of its lending decision, reduced Mr H's monthly income to £1,979.

As with Loan 1, Mr H was asked to provide details about his housing status and monthly expenditure. Mr H declared he was 'living with parents, family' and he declared monthly outgoings of £1,175. which included rent, credit commitments, food and transport costs. TTL once again used national averages as well as information from Mr H's credit file and, having done so, made an upward adjustment to his monthly expenditure. For its affordability assessment it used monthly outgoings of around £1,378.72. It also applied a 'safety buffer' of £100.

Deducting these figures (a total of £1,478.72) from what TTL understood to be Mr H's monthly income, he was left with disposable income of around £500.28 to make his loan repayments of £128.22. So, based on this information the loan looked affordable.

TTL also carried out a credit search and it has provided the results it received from the credit reference agency.

I think these checks – which included income verification (via a payslip) and a credit check - were proportionate given the value of the loan and the monthly repayments relative to Mr H's income. I say this noting that this was still fairly early on in the lending relationship and the loan was repayable over a reasonably short period of time.

However, as with Loan 1, once TTL had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Mr H could afford to meet the loan repayments in a sustainable way over the term of the loan.

Did TTL lend to Mr H responsibly using the information it had?

As I've said, using the information TTL gathered about Mr H's financial circumstances, it looked like he had £500.28 disposable income per month before the lending in question was taken into account. Therefore, TTL was satisfied that the loan repayments for this loan should've been affordable for Mr H on a simple pounds and pence basis.

The credit check TTL carried out once again suggested there was no indication of any insolvencies or any other public records – such as County Court Judgments.

It did look like Mr H's overall unsecured indebtedness had increased since Loan 1 to £5,266. However, I don't think Mr H's total debt had increased so dramatically – or to an unsustainable level relative to his income – such that it would give TTL cause to conclude Mr H was over-indebted or otherwise having problems managing his money.

The report did indicate Mr H had opened six accounts in the six months prior to the lending in question, although I note the total number of active accounts had reduced since Loan 1. What's more, Mr H appeared to be managing his accounts fairly well. As with Loan 1, there was one recent arrears marker on a mail order account, but it appeared this account had been brought back up to date. And, as the report suggested Mr H was up to date with the rest of his credit facilities, I don't think this sole adverse marker in and of itself ought to have given TTL cause for concern.

As with Loan 1, I accept that Mr H's financial situation may have been worse than the information TTL gathered at the time suggested. But I don't think the output from the checks TTL did carry out – which were reasonable and proportionate in my view – would have alerted it to the problems Mr H was experiencing.

In short, I think TTL carried out reasonable and proportionate checks prior to agreeing to lend and I don't think the output from those checks should have prompted further checks or prevented it from lending to Mr H. Therefore, I don't think TTL made an unfair lending decision when it granted Loan 2.

Did TTL act unfairly or unreasonably in some other way?

I've also considered whether TTL acted unfairly or unreasonably in some other way given what Mr H 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 TTL lent irresponsibly to Mr H 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.

Finally, for completeness, I note in response to Mr H's complaint TTL made an offer to resolve matters in order to prevent the complaint from coming to our service. This offer was not accepted. Our investigator asked TTL whether this offer was still available. TTL confirmed that it has been withdrawn.

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

My final decision

For the reasons I've outlined above, I do not 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 14 October 2025.

Ross Phillips
Ombudsman