

## **The complaint**

Mr G complains that Fairscore Ltd trading as Updraft (Updraft) acted irresponsibly in providing him with a personal loan because it was unaffordable for him.

## **What happened**

Mr G took out a personal loan with Updraft in March 2023. The loan was for £8,000. The loan term was 36 months. The interest rate was 16.9% APR, and the monthly payment was £197.40.

In December 2024, Mr G complained that Updraft had been irresponsible in lending to him. He said that Updraft should have conducted further checks, and if it had done so it would have found that the loan was unaffordable for him.

In its final response, Updraft said it thought it had acted fairly and reasonably. Mr G wasn't happy with Updraft's final response and referred the complaint to our service.

One of our Investigators considered the complaint and didn't uphold it. Mr G disagreed with our Investigator's opinion, so the case comes 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.

I've considered the relevant rules and guidance on responsible lending set by the FCA, laid out in the consumer credit handbook (CONC). In summary, these say that before Updraft lent it needed to complete reasonable and proportionate checks to satisfy itself that Mr G would be able to repay the debt in a sustainable way, without borrowing further elsewhere.

Updraft has explained that before it lent, it considered the information Mr G had provided in his application, and information from a credit reference agency. It also saw information from open banking.

The information from the credit reference agency showed no defaults or recent history of arrears on Mr G's existing credit commitments. The information from the credit reference agency showed that Mr G was using a relatively high percentage of some of his available credit card limits, but as the loan purpose was to consolidate credit card debt, I don't think that should have given Updraft cause for concern.

In his application, Mr G declared his annual income was £83,000. Updraft used information from open banking to verify that Mr G received income that averaged £4,333 a month.

In the application, Updraft asked Mr G if he expected there to be any changes to his income which would impact his ability to repay the loan. Mr G answered 'No' to that question. Mr G

has told us that his employment has changed, which has meant his income has reduced. I don't think that's something that Updraft could have reasonably foreseen. So, I don't think it's something that should have impacted its decision to lend.

The credit reference agency showed that Mr G's payments to his existing monthly credit commitments totalled around £2,650. Updraft has said that it used ONS data, to estimate his essential monthly expenditure to just under £1,150. This figure was considerably higher than Mr G's own estimates of his monthly expenditure. Updraft therefore estimated that Mr G's monthly disposable income was around £533. So, it thought that the new monthly loan payment of £197.40 was sustainably affordable for him.

On balance, I think Updraft conducted proportionate checks, given the size of the loan and Mr G's declared income. It took steps to verify his income, and I think it was reasonable that it used estimated figures for his expenditure. Mr G has now said that he was separated from his ex-partner at the time, and was therefore paying both rent and mortgage. But as I think Updraft's checks were proportionate, I can't fairly conclude this is information Updraft should have uncovered.

Based on the information Updraft found, I think it reasonably considered that the loan was sustainably affordable for Mr G.

I've also considered whether Updraft's actions have meant there's an unfair relationship between it and Mr G. However, for the reasons I've already given, I think Updraft didn't lend irresponsibly to Mr G or otherwise treat 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**

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 G to accept or reject my decision before 29 October 2025.

Frances Young  
**Ombudsman**