

The complaint

Mr P is unhappy that Inclusive Finance Limited, trading as Creditspring, didn't provide him with a 14-day cooling off period from the day he took a loan with them.

What happened

Mr P began a paid year-long membership with Creditspring on 18 January 2025 which entitled him to two personal loans of £500 with six-month repayment terms. Mr P took one of the loans on 25 January, and on 5 February he contacted Creditspring and asked to utilise his cooling off right as he was within the 14-day period.

In response, Mr P was then told that Creditspring considered the 14-day cooling off period to have begun on 18 January, the day he began his membership with them, meaning that the cooling off period had expired on 1 February. Mr P wasn't happy about this and felt that the cooling off period should begin from when he took a loan, not from when he began his membership, so he raised a complaint.

Creditspring responded to Mr P but reiterated their position. Mr P wasn't satisfied with Creditspring's response, so he referred his complaint to this service. One of our investigators looked at this complaint. But they didn't feel that Creditspring had acted unfairly as Mr P felt was the case and didn't uphold the complaint. Mr P remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

I can appreciate how Mr P might expect the 14-day cooling off period to begin from the day he took the loan, rather than the day his membership began. But having considered the circumstances of this complaint, I don't feel that Creditspring have acted unfairly by considering the 14-day cooling off period to begin from when Mr P began his membership, and it follows from this that I won't be upholding this complaint.

One reason I take this position is because Creditspring's lending model is different to how most personal loans are provided. In standard circumstances, a loan must be applied for, which may result in a loan offer being made to an applicant which that applicant can then choose to accept. That loan offer will include information about the amount of money being lent, the term of the loan, the interest rate applicable to the loan, and the total amount of money (capital plus interest) to be repaid over the full term.

Creditspring don't charge any interest on their loans. Instead, they run a membership model whereby an applicant applies for membership, and if that application is successful the member will then pay a monthly fee for the term of the membership. Additionally, that membership entitles the member to two interest free loans which can be drawn down at a time of their choosing, and which must be repaid over six months.

In consideration of Creditspring's membership model, it seems both fair and reasonable to me that Creditspring would consider the 14-day cooling off period to start when the membership starts, given that it is then that the member has committed to making the monthly membership payments.

Mr P has said that he feels that the start of the membership and his taking the loan are two distinctly different acts. But I feel that Mr P's entitlement to the loan began on 18 January, and he could have drawn down the loan on that day. Instead, Mr P delayed drawing down the loan until 25 January. And as explained, as Mr P's entitlement to the loans and his commitment to the membership terms began on 18 January, I feel that it is fair that the cooling off period should also begin on that date.

Furthermore, the fact that the 14-day cooling off period began on the day that Mr P began his Creditspring membership was clearly explained in the terms and conditions of the membership, which Mr P accepted and consented to. As such, I feel that Mr P should reasonably have been aware that his 14-day cooling off period began on 18 January and that he should have contacted Creditspring within the first 14 days of his membership if he wanted to avail of his cooling off rights.

All of which means that I don't feel that Creditspring have acted unfairly as Mr P feels is the case here, which in turn means that I won't be upholding this complaint or instructing Creditspring to take any further or alternative action. I hope that Mr P will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 20 August 2025.

Paul Cooper
Ombudsman