

Complaint

Mr S has complained about a loan AvantCredit of UK, LLC (trading as “Avant Credit”) provided to him. He says he shouldn’t have been lent to as the loan was unaffordable.

Background

Avant Credit provided Mr S with a loan for £3,000.00 in September 2018. This loan was due to be repaid in 36 monthly instalments of £146.30. One of our investigators reviewed what Mr S and Avant Credit had told us. And she didn’t recommend that Mr S’ complaint be upheld. Mr S disagreed and asked for an ombudsman to look at his complaint.

My findings

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. And I’ve used this approach to help me decide Mr S’ complaint.

Having carefully thought about everything, I’ve decided not to uphold Mr S’ complaint. I’ll explain why in a little more detail.

Avant Credit needed to make sure that it didn’t lend irresponsibly. In practice, what this means is Avant Credit needed to carry out proportionate checks to be able to understand whether Mr S could afford to repay before providing this loan.

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

Avant Credit says it agreed to Mr S’ application after he provided details of his monthly income and some information on his expenditure. It says it cross-checked this against information on a credit search it carried out and this showed Mr S could afford to make the repayments he was committing to. On the other hand, Mr S has said he was in financial difficulty.

I’ve carefully thought about what Mr S and Avant Credit have said.

The first thing for me to say is that Avant Credit didn’t just simply accept what Mr S had told it. It did carry out credit searches, as Mr S says it should have done, which showed that he didn’t have any recent significant adverse information recorded against him such as defaults

or County Court Judgments (“CCJ”) recorded against him. Furthermore, Mr S’ active outstanding debt wasn’t excessive either.

I accept that Mr S appears to be suggesting that his actual circumstances may not have been fully reflected either in the information he provided, or the information Avant Credit obtained. I know that Mr S has said that his monthly expenditure was higher than what he declared at the time of his application.

While I’m sorry to hear about what Mr S has told us, I can only determine this complaint by reference to what Avant Credit could reasonably be expected to know. With this in mind, there wasn’t anything in Avant Credit’s checks that called into question what Mr S declared about his expenditure. This is particularly as Mr S also said that he was going to use the proceeds of this loan to consolidate some of his existing borrowing and this would reduce what he would pay going forward each month.

For the sake of completeness, I should add that at best, even if I were to accept that further checks were necessary, which I’m not necessarily persuaded is the case here, any such checks would only have gone as far as finding out more about Mr S’ regular living costs. And while I appreciate what Mr S now says about his committed expenditure, he’s not provided anything to corroborate this.

So I’ve not been provided to substantiate that Avant Credit obtaining further information on Mr S’ actual living costs would have seen Avant Credit make a different lending decision in this instance. I’m afraid I cannot place much weight on Mr S’ unsubstantiated submissions alone in circumstances where he says his declarations to Avant Credit were inaccurate.

Finally, I would also add that while this isn’t in itself determinative, it’s worth noting that Mr S not only made his payments when they fell due for the period the loan was active, he also settled it early. Therefore, Mr S’ repayment record and actions do tend to support the fact that this loan was affordable for him.

In reaching my conclusions, I’ve also considered whether the lending relationship between Avant Credit and Mr S might have been unfair to Mr S under section 140A of the Consumer Credit Act 1974 (“CCA”).

However, for the reasons I’ve explained, I don’t think Avant Credit irresponsibly lent to Mr S or otherwise treated him unfairly in relation to this matter. And I haven’t seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

As this is the case, I don’t think that Avant Credit did anything wrong when deciding to lend to Mr S - it carried out proportionate checks and reasonably relied on what it found out which suggested the repayments were affordable. I appreciate this will be very disappointing for Mr S. But I hope he’ll understand the reasons for my decision and that he’ll at least feel his concerns have been listened to.

My final decision

For the reasons I’ve explained, I’m not upholding Mr S’ complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 25 August 2025.

Jeshen Narayanan
Ombudsman

