

The complaint

Mr M complains that Western Circle Ltd trading as “Cashfloat” lent to him irresponsibly.

What happened

Cashfloat provided three instalment loans to Mr M, as follows:

Loan number	Loan amount	Highest monthly repayment	Instalments	Date taken	Date repaid
1	£900	£245.10	6	29 August 2023	5 September 2023
2	£900	£257.95	7	10 September 2023	15 September 2023
3	£1,200	£255.55	9	5 November 2023	Outstanding balance

The details of this complaint are well-known to both parties, so I won’t repeat them again here. The facts aren’t in dispute, so I’ll focus on giving the reasons for my 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.

Having done so, I’m not upholding Mr M’s complaint – and I’ll explain why. Before I do so, I want to say that Mr M has made several submissions to our service over the course of this complaint. Whilst I may not comment on every detail, this is purely a reflection of the informal nature of our service. Despite this, I want to reassure him that I have reviewed and carefully considered all of the evidence and points made.

We’ve set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I’ve taken this into account in deciding Mr M’s case.

Mr M was provided with high-interest loans, intended for short-term use. So Cashfloat needed to make sure that it didn’t provide them irresponsibly.

Before providing each loan, Cashfloat gathered information about Mr M’s income, expenditure and carried out a credit check. It verified some of this information and exercised caution by adding a buffer of £300 to Mr M’s outgoings.

Cashfloat’s affordability calculations from the time of lending, suggest the loans were affordable. On the other hand, Mr M says his bank statement showed his outgoings were much higher and he has questioned some of the information Cashfloat relied upon as he says there were discrepancies in the information provided for each loan. Mr M also says his monthly credit commitments were higher compared to what he declared.

However, I don't agree the bank statement Cashfloat obtained shows Mr M's committed living expenses were necessarily higher. Whilst Mr M's bank statement shows some discretionary spending, it's committed living expenses I'd expect Cashfloat to obtain information about – which I think it did. I also agree with the Investigator that the bank statement didn't reveal Mr M was in financial difficulty or that he had significant further committed living expenses above what he'd declared. Moreover, Cashfloat, had already built into its affordability calculations, a £300 buffer before providing each loan. And even after doing this, Mr M was left with a large monthly disposable income. On this basis, even if, in reality, Mr M's committed living expenses and credit commitments were higher, I'm satisfied this lending was still more likely than not affordable. I know Mr M also says it's implausible he'd seek high-interest loans if he genuinely had as much disposable income as the affordability checks suggest. But one of the reasons someone may need access to short-term credit is to cover unexpected short-term cash flow problems which could arise for any number of reasons. This in itself doesn't mean Mr M wouldn't have the means to repay the lending.

The credit checks Cashfloat carried out suggested Mr M was managing existing credit relatively well, with some limited adverse data showing but which appeared to be mainly historic. In fact, repayments on existing credit were up to date at the time of lending and I can see Mr M had been making significant payments towards his revolving credit balances. Cashfloat's credit checks also don't suggest that Mr M was overly reliant on short-term lending nor overindebted, relative to his income. Importantly, these were the first loans Cashfloat had provided to Mr M. And I don't think there was any established pattern in Mr M's borrowing needs at this stage.

With all this in mind, I agree with the Investigator that the checks carried out at the time of providing each loan were proportionate. Bearing in mind the monthly payments required on the loans, the information Cashfloat gathered before lending, that it exercised caution by adding a buffer amount in its affordability calculations, and that these were Mr M's first loans; I don't think it was unreasonable for Cashfloat to rely on the information Mr M was providing.

I also agree with the Investigator that Cashfloat weren't wrong to provide these loans. I appreciate Mr M took out three loans in total and as he has pointed out, the loans were all taken out fairly close together. Whilst repeat borrowing in itself can sometimes be an indication of a customer borrowing in a way that's unsustainable, it isn't always. And I haven't seen anything to suggest that was the case here. Across all three loans, Mr M was due to be indebted for a total period of less than a year. It's not uncommon for individual loans to be provided over terms equivalent to the entire period Mr M was due to be indebted for. The loans also didn't overlap, and Mr M had paid off both loans 1 and 2 early. So, I don't think taking out these loans in quick succession meant Cashfloat ought to have realised Mr M was using these loans in a way that was unsustainable.

So, whilst Mr M being a repeat borrower has led me to take a closer look at the overall pattern of lending, I don't think Cashfloat ought to have realised it was increasing Mr M's indebtedness in a way that was unsustainable or otherwise harmful for him. The credit searches didn't suggest Mr M's position was worsening and the individual loans appeared affordable.

So overall, I don't think Cashfloat was wrong to provide these loans to Mr M.

I appreciate the reality of Mr M's situation may have been very different. I understand he hasn't been able to maintain payments on loan 3. And I want to thank him for telling us about his gambling addiction. Given what I've said about Cashfloat's checks being proportionate and that it was entitled to rely on the information its checks showed, I don't think it could

have known about Mr M's gambling. Cashfloat could only make its decisions based on the information it had available at the time. And at this stage of the relationship, I don't think proportionate checks would have extended to Cashfloat asking Mr M to provide evidence such as bank statements – or further bank statements as is the case for loan 3 - to verify what he'd declared. The bank statement Cashfloat did see, didn't reveal evidence of gambling. So, in this instance, I don't think it was foreseeable for Cashfloat at the time of lending, that Mr M would go onto have difficulties repaying.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Cashfloat lent irresponsibly to Mr M or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr M hoped for. But for the reasons above, I'm not asking Cashfloat to do anything to put things right.

I can see Cashfloat, in its final response, offered Mr M £50 as a gesture of goodwill. As I'm not upholding this complaint, I won't be telling Cashfloat to pay this. But Mr M can contact Cashfloat directly to discuss if the offer is still available, if he wants to accept it.

My final decision

My final decision is that I'm not upholding Mr M's complaint about Western Circle Ltd trading as Cashfloat.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 February 2026.

Sophie Kyprianou
Ombudsman