

The complaint

Fairscore Ltd trading as Updraft ('Updraft') provided Miss B with a personal loan in 2024. Miss B borrowed £3,000 and she was due to make 36 monthly repayments of £133.74. Miss B says the credit was provided irresponsibly.

What happened

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.

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 Miss B's case.

I've decided the credit was provided fairly because:

- I think the checks Updraft did before providing the credit were reasonable and proportionate given the size of the loan, the monthly repayments and what it knew about Miss B's financial situation.
- Updraft's checks showed Miss B said she earned just under £1,800 a month, and this was verified using a credit reference agency tool. She said she had other credit commitments to which she was paying about £500 a month, and her other living costs were £360 a month. Updraft used some statistical information to check if what she had provided was reasonable and estimated she spent £205 a month on rent and just under £500 a month on other living expenses. And Updraft says it used open banking to check that the amounts it had used were reasonable.
- Updraft also looked at Miss B's credit file, and it found out she had unsecured debt of just over £11,000. Miss B had some arrears in 2019 but there were no recent repayment problems. Miss B said she would repay some of her card debt with the new lending which could potentially lower her outgoings. Again, Updraft says the banking data it had didn't show that Miss B was in any financial difficulty
- Based on the information Updraft gathered, and what it knew about Miss B's circumstances, there was nothing to suggest Miss B was likely to be unable to sustainably repay what she was being lent.
- I can see that Miss B strongly disagrees with this and feels that, particularly as this was her second loan in a short space of time, that Updraft should have made much more detailed checks such as looking at her bank statements. And it would have seen that she was struggling if it had done this.

- But I think the checks Updraft made were reasonable and gave it a fair picture of Miss B's circumstances. Verifying income using a credit reference agency and using statistical information to cross-check expenditure are allowed by the industry regulator. And I think it was appropriate to use these methods here. I don't think it would be fair to say Updraft should have done more.
- I don't think Updraft acted unfairly in any other way.

This means I don't think Updraft did anything wrong when it provided the loan to Miss B.

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 Updraft lent irresponsibly to Miss B or otherwise treated her 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 Miss B hoped for, and I hope it doesn't cause her any undue distress. But for the reasons above, I'm not asking Updraft to do anything to put things right.

My final decision

My final decision is that I'm not upholding Miss B's complaint about Updraft.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 9 January 2026.

Andy Burlinson
Ombudsman