

## **The complaint**

Mr B complains that PDL Finance Limited, trading as Mr Lender, lent to him irresponsibly.

## **What happened**

Mr B was granted two loans by PDL. He borrowed £500 in October 2022, and £1,500 in November 2024.

In 2025, Mr B complained to PDL. He said the loans had been provided irresponsibly. PDL didn't uphold Mr B's complaint, citing that it considered the loans to be affordable – and to have been lent responsibly – based on the checks it carried out. PDL was confident those checks were proportionate.

Mr B contacted this Service for an independent review, and an Investigator here looked at what had happened. Having done so, they didn't think Mr B's complaint should be upheld. In short, the Investigator said PDL had indeed carried out proportionate checks; nothing in the results of those checks suggested the loans would be unaffordable for Mr B, or that he wasn't managing his financial situation well. So, the loans hadn't been provided irresponsibly.

Mr B disagreed and he asked for an Ombudsman's decision. He mostly focussed on the second, larger, loan – setting out that his bank statements showed it was clearly unaffordable at the time. As no agreement has been reached, his complaint has now been passed 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.

To put things simply, when making a lending decision, PDL needed to make sure that it didn't provide loans irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether any lending was sustainable; PDL had to do so with Mr B's specific circumstances in mind before providing any credit.

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 that information – in the early stages of a lending relationship.

That said, we might think a lender needed to do more if, for example, a borrower's income was low, or the amount lent was high. Additionally, 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.

Looking at the loans provided to Mr B here, I've seen PDL carried out the following actions:

### *Loan One*

- Obtained details of Mr B's income and expenditure – which he declared.
- Used Credit Reference Agency ("CRA") data to build a view of Mr B's existing credit commitments and how he was managing them.

### *Loan Two*

- Verified Mr B's income.
- Used Office of National Statistics ("ONS") data to help determine Mr B's day-to-day expenses.
- Used Credit Reference Agency ("CRA") data to build a view of Mr B's existing credit commitments and how he was managing them.
- Asked Mr B to provide a reason for requesting the loan.

In my view, those checks were proportionate in the circumstances. From what I've seen, the results painted a broadly stable picture of Mr B's finances too.

For the first loan, given the modest amount being lent, I'm satisfied PDL could rely upon the declarations Mr B made about his income and expenses. Recorded CRA data suggested his existing commitments were up to date; no County Court Judgments or Individual Voluntary Arrangements were recorded either. With the second loan, PDL went further; this time it verified Mr B's income, it used statistical data – alongside Mr B's declarations – to help create a more robust view of his expenses, CRA data again suggested no issues with existing commitments and, finally, the reason Mr B said he wanted the loan didn't cause any concern.

I know Mr B's opinion is such that PDL ought to have carried out significantly more detailed checks into his finances. But the fact is that there are no fixed checks that businesses must complete when reviewing an application for credit. There's no requirement on a lender to review specific things such as bank statements, or wage slips, for example. So, I can't fairly say that PDL was wrong to not run those sorts of checks here; there was no regulatory requirement to do so and, moreover, in my view, the results of the checks it did carry out didn't warrant further scrutiny. Consequently, PDL would've never uncovered the position Mr B says his finances were really in at the time. Instead, PDL was entitled to make a decision based on the information gathered as a result of its proportionate checks.

Overall then, with all of that in mind, I'm satisfied that PDL was reasonably entitled to believe that Mr B could afford to make his payments. With no other adverse information uncovered either, it follows that I don't consider the credit to have been unfairly or irresponsibly provided.

In closing, and to be clear, I'm not saying that Mr B wasn't – or isn't now – under financial pressure. It's just that here, in these circumstances, PDL didn't discover that; and that's something I don't consider a failing, for the reasons I've explained. Primarily, as with any complaint, the key point to remember here is that it's only fair and reasonable for me to uphold a complaint in circumstances where I can conclude a business did something wrong. Here, I don't think PDL could have known – or ought to have known – that the payments for this loan were, or would become, unaffordable at the time of lending. So, for the reasons I've

already given, I can't fairly conclude that PDL acted irresponsibly or otherwise treated Mr B unfairly in relation to this matter; it follows that I don't uphold the complaint.

Finally, I haven't seen anything to suggest that Section 140A or anything else 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 Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 January 2026.

Simon Louth  
**Ombudsman**