

The complaint

Miss W complains that Salad Finance Limited trading as SaladMoney was irresponsible in its lending to her. She wants all interest and charges removed from her loan and any adverse data removed from her credit file.

What happened

Miss W was provided with a £500 loan by SaladMoney in February 2025. The loan term was 18 months, and Miss W was required to make monthly repayments of £43.94.

Miss W said that the loan shouldn't have been given. She explained that she was living month to month at the time and the loan was used to pay her other debts. She said her credit report showed she had multiple payday loans, was making several credit applications and had credit utilisation of over 100%. She believed this should have raised alarms with SaladMoney.

SaladMoney issued a final response to Miss W's complaint dated 28 February 2025. It noted that when Miss W contacted it, the first payment hadn't yet fallen due and she was still within the withdrawal period. Regarding Miss W's concern about irresponsible lending, it said that before providing credit it used open banking data to assess Miss W's employment, income and expenses. It also carried out a credit check to identify any issues with her repayment history and her other credit commitments. It believed its checks were proportionate and supported the loan being provided.

Miss W referred her complaint to this service.

Our investigator thought that before lending, SaladMoney gathered a reasonable amount of evidence and information from Miss W about her ability to repay the loan. She reviewed the information gathered and found this supported the loan being affordable for Miss W.

Miss W didn't accept our investigator's view. She said that her credit file showed several missed payments, recent payday loans and credit cards at their limits. She also disputed the expenditure costs included in the assessment saying her rent was £750, and she had other costs of £600 to £800.

Our investigator responded to Miss W's comments. She explained that there can be a delay in data being recorded on a credit file and that where there was adverse data we would expect a business to verify information by using evidence such as bank statements. In this case SaladMoney had checked Miss W's bank statements through open data and based its calculations on these. Therefore, her view didn't change, and she didn't uphold this complaint.

Miss W still didn't accept our investigator's view. As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue a 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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Miss W was provided with a £500 loan requiring monthly repayments of around £44. Before the loan was provided, SaladMoney reviewed Miss W's open banking data and carried out a credit search. Miss W's credit check didn't show any defaults, county court judgments or debt management plans in place. Given this, and that SaladMoney was able to see details of Miss W's income and expenditure, I think that SaladMoney gathered a reasonable amount of information before lending to Miss W.

Just because I think that reasonable checks were carried out, it doesn't necessarily mean that I think the loan should have been given. To assess that I have looked at the information received through the checks to see if this should have raised concerns.

Miss W's income was confirmed to be just over £1,800 in the months leading up to the lending. The open banking data showed Miss W making payments for existing credit commitments including a loan (around £55 a month) and credit cards. Miss W was making frequent transfers to another individual and she has said she was paying £750 a month for rent. However, even if this is included, I do not find I can say that based on the other information available the loan would have appeared unaffordable.

I note Miss W's comment about her having payday loans and missed payments but having looked at the credit report she provided this shows that at the time the SaladMoney loan was given she was maintaining her other commitments. She did take out other loans around the same time but these were unlikely to have appeared on the credit report at the time of the SaladMoney loan checks.

I am sorry to hear that Miss W has struggled to make her repayments but for the reasons set out above I do not find I can uphold this complaint. However, given the issues she has raised I would expect SaladMoney to treat Miss W positively and sympathetically in regard to any outstanding balance.

I've also considered whether SaladMoney acted unfairly or unreasonably in some other way given what Miss W has complained about, including whether its relationship with her might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think SaladMoney lent irresponsibly to Miss W or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

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 Miss W to accept

or reject my decision before 7 November 2025.

Jane Archer
Ombudsman