DRN-5705473

The complaint

Plata Finance Limited provided Mr B with a £2,000 loan in December 2024. Mr 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 Mr B's case.

I've decided the loan was provided fairly because:

- I think the checks Plata did before providing the credit were reasonable and proportionate given the amount applied for and what it knew about Mr B's financial situation.
- Before lending, Plata considered information provided by Mr B in his application, that gathered from credit referencing agencies (CRA), and data from the Office of National Statistics. Mr B's declared monthly income was verified by a CRA check, and the income and expenditure information suggested the loan would be affordable – particularly given it's not been disputed the declared purpose of the loan was for debt consolidation (meaning Mr B's repayments towards debts would reduce). CRA data showed Mr B was managing his accounts well.
- Based on the information Plata gathered and what it knew about Mr B's circumstances, there was nothing to suggest that Mr B was likely to be unable to sustainably repay what he was being lent.
- I empathise with what Mr B has shared regarding the impact gambling has had on him being able to manage his finances and his personal life. But I don't consider Plata could reasonably have been aware of this. Mr B declared in his application he only spent £10 per month on gambling. And for the reasons above, I don't consider Plata needed to request extensive copies of his statements to verify his income and expenditure. So, I don't agree they treated him unfairly by relying on the information he shared regarding his expenditure towards gambling before lending.
- I don't think Plata acted unfairly in any other way.

This means I don't think Plata did anything wrong when it provided the loan to Mr 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 Plata lent irresponsibly to Mr B 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 B hoped for. But for the reasons above, I’m not asking Plata to do anything to put things right.

My final decision

My final decision is that I’m not upholding Mr B’s complaint about Plata Finance Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B to accept or reject my decision before 5 January 2026.

Sarrah Turay
Ombudsman