

The complaint

Mr R complains that Gain Credit LLC trading as Lending Stream (“Lending Stream”) irresponsibly provided him with a loan.

What happened

In May 2024 Mr R applied for a loan with Lending Stream. The application was approved, and he was provided with a loan for £250. It was to be repaid over six months with a monthly repayment amount of around £77.

Mr R complained to Lending Stream in April 2025. He said the loan was unaffordable and it shouldn’t have been provided to him. He said Lending Stream didn’t ask him for his bank statements or payslips and he had defaults and missed payments on his credit file at the time. Mr R said this loan put him into further financial difficulty.

Lending Stream responded in June 2025. They didn’t uphold the complaint. They said they completed a thorough income and expenditure check and when they totalled all his income and deducted all his expenses, Mr R was left with enough to repay him and other expenses, meaning the loan was affordable.

Mr R remained unhappy with the response, so referred his complaint to our Service. An Investigator here looked into this complaint. They agreed with Lending Stream that the lending appeared affordable based on the information they’d collated at the time, which was proportionate to the amount being lent.

In response to the view, Mr R said they should’ve checked his bank statements at the time and they would’ve seen his full financial picture which was defaults and missed payments. Because an agreement couldn’t be reached, the complaint has 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.

Having done so, I’m in agreement with the Investigator. I appreciate this will come as a disappointment to Mr R, so I’ll explain my reasoning below.

Mr R was provided with high-interest loans, intended for short-term use. So Lending Stream needed to make sure that they didn’t provide them irresponsibly. In practice, what this means is that Lending Stream needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mr R before providing it.

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.

But we might think it needed to do more if, for example, a borrower's income was low or the amount lent was high. And 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.

It's fair to say that this isn't a case where the lender simply relied on information provided by a borrower at face value. The information Lending Stream has provided suggests that Mr R was asked to provide details of his income, was asked questions about his expenditure and that credit checks were carried out before the loan was provided.

Mr R declared a monthly income of £1,850 and a monthly expenditure of £850. After verifying Mr R's income, Lending Stream recorded his monthly amount as around £1,780. They also adjusted his expenditure in line with statistical averages and what they found on the credit file making his total monthly expenditure around £1,500 – leaving around £250 disposable income.

As this was a short-term, high-cost loan, I'd expect for there to be some adverse information recorded, which is true for Mr R. But I think Lending Stream's checks went far enough to satisfy themselves that despite the adverse information, Mr R should be able to meet the repayments over the six months.

I've thought about what Mr R has said about Lending Stream reviewing his bank statements. When considering lending complaints, there are no specific checks that lenders must complete before approving an application for credit. The rules set out by the regulator merely state that checks should take place and that they should be proportionate to the type and amount of credit being provided. But there is no obligation on lenders to ask to see bank statements, so Lending Stream didn't make an error when they didn't automatically ask to see Mr R's bank statements before approving the application.

Bearing in mind the amount of the repayments for the loan, the questions Mr R was asked, and this was at the beginning of Mr R's lending relationship with Lending Stream, I don't think it was unreasonable for Lending Stream to rely on the information Mr R had provided in deciding whether to advance the loan. And as the information gathered suggests that the loan was affordable for Mr R, I'm satisfied that it was fair and reasonable for Lending Stream to provide the loan to Mr R.

In reaching my conclusions, I've also considered whether the lending relationship between Lending Stream and Mr R might have been unfair to Mr R under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Lending Stream did not lend irresponsibly when providing Mr R with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Mr R, I won't be upholding his complaint against Lending Stream for the reasons explained above.

My final decision

It's my final decision that I do not uphold this complaint against Gain Credit LLC trading as Lending Stream.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 January 2026.

Meg Raymond
Ombudsman