

## **The complaint**

Mr S, through his representative, complains that SECURE TRUST BANK PUBLIC LIMITED COMPANY trading as Moneyway ("Secure Trust") lent to him when he could not afford it by approving a car finance agreement for him.

## **What happened**

Mr S took the car finance agreement with Secure Trust in April 2021. He paid a £6,000 cash deposit and received £1,574 as part exchange for an existing vehicle. The cash price of the car was £17,995 and so the balance to finance was £10,421. Over 41 months Mr S was expected to repay just over £328 each month and a final payment of just over £338 which included the £10 option to purchase fee.

A few months after taking this finance agreement Mr S entered into an Individual Voluntary Arrangement (IVA) in November 2021 and that remains current.

Mr S made monthly payments to Secure Trust on time, every month. He settled the account early on 17 November 2023.

After Mr S had complained, Secure Trust issued the final response letter on 24 December 2024 explaining that it was not upholding the complaint as it completed proportionate checks when the lending was provided. After the complaint had been referred to the Financial Ombudsman Service, one of our investigators considered the complaint and thought that Secure Trust had carried out checks that were expected of it and had not lent irresponsibly.

Mr S' representative has asked for an ombudsman to review it because it considers that Mr S had defaulted accounts which ought to have led to Secure Trust to decline Mr S' application for car finance.

The unresolved complaint was passed to me. After I'd reviewed the complaint I asked Mr S, through his representative, for additional financial information. And I asked for confirmation that Mr S' Insolvency Practitioner (IP) was aware of the complaint and whether the IP had an interest in it. None of this has been sent to me. The final (and second) reply date for these was 10 December 2025.

I have received from Secure Trust a copy of the IVA documents which do indicate that its likely (but not confirmed) Mr S' IP would have an interest. But as I have decided not to uphold the complaint and as the second deadline for information from Mr S has passed, then I have proceeded to issue my decision. Mr S was aware of this.

## **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 explained how we handle complaints about irresponsible and unaffordable lending on our website. And I've used this approach to help me decide Mr S' complaint. Secure Trust needed to make reasonable checks and that it didn't lend 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 for Mr S 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, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggesting the lender needed to know more about a prospective borrower's ability to repay.

I have reverted to the specific wording and detail in the FCA Consumer Credit Sourcebook (CONC) Chapter 5 on responsible lending to assist me in relation to Mr S' complaint. I do not set out the FCA wording here as Mr S' representative likely is familiar with that CONC chapter and I refer them to it for the detail.

When considering whether the creditworthiness assessment was reasonable which is what the FCA require it to be, there are a number of considerations to guide Secure Trust that the checks were proportionate: CONC 5.2A.20R and the paragraphs that follow it.

Proportionality can be seen as doing reasonable checks within the full context of the loan application, what it was for and other details. I can't improve on some of the wording in the guide paragraph CONC 5.2A.21: *Certain factors may point towards a more rigorous assessment and others towards a less rigorous one in which case the firm should weigh up the factors before deciding what type of creditworthiness assessment is required.*

Mr S' income was verified using a widely used method which I consider reasonable. The monthly income figure provided to Secure Trust was £3,568 after tax and was the figure used when assessing Mr S' ability to afford the repayments required to buy the car he'd chosen.

Secure Trust used Office for National Statistics Data (ONS) to calculate Mr S' non-discretionary and committed costs which was a sum of £483 and when the car finance repayments were added to that this came to £812 a month. Secure Trust has given us figures and explanations:

*'Cost of living £483.00 - which we calculated using data provided by the Office for National Statistics based on [Mr S'] postcode and age. Taking all of this into consideration, we estimated [Mr S'] expenditure when he applied was around £812.00 per month, which included the proposed monthly payment of 328.44 [sic] for the finance being taken out with us.*

*We made an assessment to determine [Mr S'] income and expenditure based on an analysis of credit bureau information and TAC assessment.'*

Secure Trust carried out a credit search and I have reviewed the results. These show that Mr S did not have a great deal open at the time but he had nine defaulted accounts the most recent of which had been April 2020, July 2020 and November 2020.

I have reviewed the personal credit file sent to us by Mr S' representative. And using that to cross refer at least five accounts with the same amounts as the defaulted sums, I have satisfied myself that the defaulted accounts 'end date' showing on Secure Trust's search coincides with the default date and not the date it was paid off or satisfied. Several were paid off late 2020 or early 2021.

I did that cross referencing to be clear what Secure Trust would have been evaluating when it approved the car finance agreement. And I did this exercise because Mr S' representative has asked about that point. Mr S' representative has the documents we have so it can do the same cross-referencing if it wishes.

Mr S' representative has said that he had a County Court Judgment (CCJ) in July 2018 which was satisfied in April 2019. This does not appear on the Secure Trust search. It was

settled two years before the application to Secure Trust and so even if it had been aware of the CCJ I doubt that it would have been much of a concern to it.

All combined I consider that a cash deposit, and part exchange which together amounted to around 41% of the cash value of the car, plus the checks that Secure Trust carried out, plus the other information it knew about Mr S at the time he applied in April 2021 would not lead it to consider that additional checks were required. I do not uphold the complaint.

I've also considered whether Secure Trust acted unfairly or unreasonably in any other way and I have considered whether the relationship 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 it lent irresponsibly to Mr S or otherwise treated him 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**

I do not uphold the complaint.

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

Rachael Williams  
**Ombudsman**