

## The complaint

Miss B complains Gain Credit LLC trading as Lending Stream (“Lending Stream”) irresponsibly lent to her.

## What happened

In July 2024 Miss B applied for a loan with Lending Stream. The application was accepted and she was provided with a loan for £1,300, to be repaid over 12 months with a monthly repayment amount of £219.85.

Miss B complained to Lending Stream in May 2025. She said she felt the lending was irresponsible as she already had a bad credit score, so they ought to have known the loan was unaffordable for her.

Lending stream responded to the complaint. They said when Miss B applied for the loan, they asked her what her income was, what her regular expenses were and her credit commitments. After deducting these from the income, they found Miss B had more than enough money to afford the monthly loan repayments.

Miss B didn’t agree, so she referred her complaint to our Service. An Investigator looked into things. They found that the checks were proportionate, but based on the calculations Lending Stream carried out, Miss B would only be left with around £80 disposable income per month, which they found wasn’t enough to cover potential emergency costs. So they upheld the complaint and asked Lending Stream to refund interest and charges.

Miss B accepted what the Investigator said, but Lending Stream didn’t agree. They said Miss B declared she was earning much more than they actually relied on. They said they reduced her income in line with Office for National Statistics (ONS) data. They said they did the same with her declared expenditure and credit commitments.

I previously issued a provisional decision that said the following:

*I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.*

*Having considered everything, I’ve reached a different outcome to the one the Investigator did. I appreciate this is likely to disappoint Miss B, but I’ll explain my reasoning below.*

*The rules and regulations in place at the time Lending Stream provided Miss B with the loan required them to carry out a reasonable and proportionate assessment of whether she could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an ‘affordability assessment’ or ‘affordability check’.*

*The checks had to be ‘borrower’ focused. This means Lending Stream had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Miss B. In other words, it wasn’t enough for Lending Stream to consider the likelihood of them getting the funds back or whether Miss B’s circumstances met their lending criteria –*

*they had to consider if Miss B could sustainably repay the lending being provided to her.*

*Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Lending Stream did what was needed before lending to Miss B.*

*Lending Stream asked Miss B about her income and expenditure, and did a Credit Reference Agency (CRA) check to find out more about Miss B's credit commitments and how they were managed. These checks – prior to the adjustments Lending Stream made – showed the lending was affordable.*

*Miss B declared £2,250 per month income, and £650 monthly expenditure, leaving her with £1,600 a month. When considering her monthly credit commitments, the CRA data they received showed Miss B was paying around £382 per month. This would leave her with a total of £1,218 per month before the new Lending Stream loan. So, based on this, I would say Lending Stream's checks were proportionate and a fair decision to lend was made.*

*However, Lending Stream then chose to adjust what Miss B had declared using ONS data. I can understand adding a buffer, but Lending stream reduced Miss B's monthly income by nearly £1,000 which then meant their checks appeared to demonstrate Miss B couldn't afford the monthly repayments sustainably.*

*Because I wasn't happy with the level of adjustment in this case, even before they'd increased Miss B's expenditure too, I wanted to see Miss B's current account statements to work out whether or not this loan would've been affordable for her not. This is not because I think Lending Stream ought to have looked at her statements in full, but because I need to know whether what Miss B declared was accurate, therefore meaning the loan was affordable, or because Lending Stream were right to significantly adjust in line with ONS data, making the loan unaffordable.*

*Having looked at Miss B's statements for three months prior to the lending, her income is variable, but is mostly closer to what she'd declared rather than Lending Stream's adjustments. She was also making large transfers to another account in her name, and the current account was always left with a healthy balance at the end of each month. Therefore, I'm currently unable to find this loan was unaffordable for Miss B.*

*Had Lending Stream not adjusted the figures, I don't think there'd be any doubt that the checks were proportionate and a fair decision to lend was made as Miss B's CRA data was in good standing and there was nothing to suggest she was in financial difficulties at the time, particularly when you also consider the modest amount of the loan, and the short period of time Miss B was due to be repaying it for.*

*In reaching my conclusions, I've also considered whether the lending relationship between Lending Stream and Miss B might have been unfair to Miss B 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 Miss B 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 Miss B, I'm currently not minded to uphold her complaint against Lending Stream for the reasons explained above.*

## **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.

Neither Miss B or Lending Stream responded to my provisional decision. So, it follows that as no further comments or evidence has been provided in relation to this complaint, my opinion on the complaint hasn't changed since I issued my provisional decision.

Therefore, I don't uphold Miss B's complaint against Lending Stream. Lending Stream did conduct proportionate checks, but then chose to adjust Miss B's income to a level that wasn't in line with her actual financial picture and having reviewed Miss B's current account statements from the time, it appeared the lending was affordable for her.

In reaching my conclusions, I've also considered whether the lending relationship between Lending Stream and Miss B might have been unfair to Miss B 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 Miss B 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.

## **My final decision**

It's my final decision that Gain Credit LLC trading as Lending Stream didn't treat Miss B unfairly when lending to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 12 November 2025.

Meg Raymond  
**Ombudsman**