

The complaint

Miss M argues that APFIN LTD trading as cashasap.co.uk (referred to as “cashasap” throughout) gave her three loans she couldn’t afford to repay.

What happened

cashasap gave Miss M the following three instalment loans:

- Loan one - £300 loan in October 2021 repaid over six instalments
- Loan two - £400 loan in December 2021 repaid over six instalments
- Loan three - £350 loan in March 2023 repaid over three instalments

Each of the loans were repaid early. Loan one in late October 2021, loan two in January 2022 and loan three in late March 2023.

Miss M argues she was heavily indebted at the times these loans were given, and they only made her situation worse. She argues if cashasap had checked her bank statements it would have seen this.

cashasap considered her complaint but didn’t uphold it. It argued it completed proportionate checks before agreeing to lend each loan. And based on the information those checks revealed it was reasonable to lend.

Unhappy with cashasap’s response, Miss M referred her complaint to our service. One of our investigators considered the complaint, but didn’t uphold it for similar reasons to cashasap. So Miss M asked for an ombudsman to consider her complaint and reach a final decision.

I issued a provisional decision where I explained I was minded to uphold the final loan in March 2023. However, I wasn’t minded to uphold the first two loans. In response Miss M accepted my provisional decision. Cashasap disagreed and provided evidence of the results of its credit checks which it hadn’t previously provided.

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.

As Miss M has accepted my findings in relation to the first two loans I won’t go on to address them here. Therefore this decision will only consider the final loan in March 2023.

How we consider irresponsible lending complaints

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. I have used this approach to help me decide Miss M’s complaint.

cashasap needed to make sure it lent responsibly to Miss M. It therefore needed to complete

sufficient checks to determine if Miss M could afford to sustainably repay the lending. Our website sets out our approach to what we typically think when deciding if a lender's checks were proportionate. There is no set list of checks a lender should do, but there is guidance on the types of checks a lender could complete. However, these checks needed to be proportionate when considering things like the amount and term of the lending, what the lender already knew about the consumer, etc.

Generally, we think that earlier in a lending relationship it would be reasonable for a lender's checks to be less extensive. However, we might expect a lender to do more, for example, if a borrower's income was low or the amount lent was high.

The checks cashasap completed

Before agreeing this loan cashasap has said it completed a credit search. It's said it also asked Miss M for details of her regular income and expenditure. Given the size of the loan and the passage of time between the earlier loans and the loan still in dispute, I think these are proportionate and reasonable checks to have completed. Cashasap has gained an understanding of Miss M's income and expenditure, and it has completed a credit search to see her level of credit commitments and how she was managing her finances.

However, I still need to consider if, as a result of the information it gathered, cashasap made a fair lending decision.

cashasap's lending decision

I've considered the income and expenditure declarations Miss H has made and I think they ought reasonably to have suggested she could have sustainably afforded to repay this loan. I have some concerns about the estimations for food and clothing as they are relatively low. However, it appears Miss H had enough disposable income for a higher level of essential expenditure and the loan repayment. So I don't think this should have concerned cashasap.

In my provisional decision I set out that as cashasap hadn't provided a copy of Miss H's credit file, I relied on her credit file results as an indication of what cashasap's results were likely to have shown. From this I could see she had a clear pattern of recent reliance on high-cost short term credit and buy now, pay later credit. I accepted that a number of the facilities I could see on her credit file, may not have been apparent at the time of lending due to how close these were to the lending in question and potential delays in reporting. And that some of the buy now pay later accounts may have been repaid by the time of this loan. However, it still built up a picture of someone who was overindebted and reliant on credit. So I didn't think, based on this it was reasonable for cashasap to lend.

In response to my provisional decision cashasap has provided the full results of the credit search it completed. I also asked for further clarification and explanation of these results which I appreciate cashasap providing.

Having reviewed the results which cashasap has provided, I still think it should have suggested to cashasap that Miss H was over reliant on credit. I accept, as cashasap has said, that the balloon payment detailed in my provisional decision wasn't visible as an eminent payment on the credit search results it had. However, it could still see that prior to the loan in question Miss H had recently opened 10 buy-now-pay-later accounts with five outstanding at the point she had applied for this loan. And in the six months prior, she had also opened six unsecured loans with two still open at the time. Given the quick nature that the loans were repaid, this suggests a strong potential for the repaid accounts (or at least some of them) to be high-cost credit. Furthermore, she had also opened a new credit card. Whilst this had a relatively low limit, in the context of everything the credit file results were

telling cashasap about Miss H's circumstances, I think it should have been clear that Miss H was over reliant on credit. And so I don't think cashasap should have agreed this loan. I therefore don't think cashasap made a fair lending decision.

Putting things right

As I don't think cashasap ought to have opened loan three, I don't think it's fair for it to be able to charge any interest or charges under the credit agreement. But I think Miss M should pay back the amount she has borrowed. Therefore, cashasap should:

Add up the total repayments Miss M has made and deduct these from the total amount of money Miss M received.

As Miss M repaid the account in full (plus a small amount of interest) this will result in Miss M having paid more than she has received. So any overpayments should be refunded along with 8% simple interest (calculated from the date the overpayments were made until the date of settlement). † cashasap should also remove all adverse information regarding this account from Miss M's credit file.

† HM Revenue & Customs requires cashasap to take off tax from this interest. cashasap must give Miss M a certificate showing how much tax it's taken off if she asks for one.

My final decision

For the reasons explained above, I uphold this complaint against APFIN LTD trading as cashasap.co.uk in part. I require it to put things right in the way I've described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 9 September 2025.

Claire Lisle
Ombudsman