

The complaint

Mr G complains that My Finance Club Limited lent to him irresponsibly when they provided him with five personal loans.

What happened

In 2024, Mr G was provided with five short-term loans from My Finance Club.

I've included a table below showing more detail around the lending agreements.

Loan date	Amount borrowed	Term (days)	Total repayable
05/01/2024	£300	60	£444.00
04/07/2024	£200	23	£236.80
11/10/2024	£150	14	£166.80
08/11/2024	£250	20	£290.00
01/12/2024	£300	25	£360.00

In 2025, Mr G complained. In summary, he said My Finance Club had irresponsibly lent to him and that sufficient checks – to ensure his affordability status – hadn't been undertaken.

My Finance Club didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the lending had been agreed. They were satisfied they had lent responsibly.

Mr G disagreed; he still thought My Finance Club were wrong to have lent to him. So, he referred his complaint to this Service for independent review. In his complaint form, Mr G said he felt My Finance Club were wrong to provide 3 of the 5 loans.

An Investigator here considered what had happened and considered all 5 loans, as My Finance Club addressed all 5 in their final response. Having done so, she thought My Finance Club's lending decisions on loans 1 – 4 were fair, but she thought they were wrong to provide loan 5. In short, the Investigator said:

- The checks carried out by My Finance Club were proportionate in the circumstances in respect of loans 1 – 4, but the checks for loan 5 should've gone further.
- The information gathered as a result of the checks for loans 1 - 4 wouldn't have given My Finance Club any cause for concern, and there was nothing that would have suggested to My Finance Club that Mr G was struggling financially, and/or wouldn't be able to afford the loan repayments for them.
- Any financial struggles, which did materialise for Mr G later in respect of loans 1 – 4, wouldn't have been apparent to My Finance Club at the time they provided Mr G with the credit.

- Had My Finance Club carried out proportionate checks for loan 5, they would've realised that it would've been unaffordable for Mr G.
- So, My Finance Club should compensate Mr G with respect to loan 5, in line with our service's approach to redress on such matters.

My Finance Club accepted the findings, but Mr G didn't. He maintained that he'd been irresponsibly lent to in respect of loans 1 – 4, and still feels that My Finance Club were wrong to provide these.

So, as the matter is still in dispute, Mr G's complaint has now 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.

Loan 5 is no longer in dispute, as My Finance Club have reached an agreement with Mr G on this, so my decision will focus purely on loans 1 – 4.

Having now reviewed matters, and while this will no doubt disappoint Mr G, I agree with the findings of our Investigator and for broadly the same reasons. I'll explain why.

The rules and regulations in place at the time Mr G was provided with the loans, required My Finance Club to carry out a reasonable and proportionate assessment. That's to determine whether Mr G could afford to repay what he owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Mr G. So, My Finance Club had to think about whether repaying the credit sustainably would cause him difficulties, or other adverse consequences. In other words, My Finance Club had to consider the impact of any repayments on Mr G.

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 My Finance Club did what they needed to before agreeing to lend to Mr G.

Here, before agreeing to lend, My Finance Club checked data recorded with Credit Reference Agencies ("CRAs"); and they relied upon information provided by Mr G at the time of his application. I've been provided with the results of My Finance Club's checks and, in my view, the data they gathered didn't suggest that there was any real cause for concern.

I've looked at the result of the credit searches from the time of each application. And the information My Finance Club obtained from CRAs didn't show any recent defaults or County Court Judgments ("CCJs"), nor was Mr G subject to an Individual Voluntary Arrangement ("IVA"), and his existing credit repayments were generally well managed.

Mr G declared a monthly income of around £2,050 at the time of each application, and when deducting Mr G's regular living costs, along with what My Finance Club obtained as a result

of their credit checks, Mr G's disposable income ranged from around £340 to £1,100, after My Finance Club's loan payments were deducted.

So given the ample disposable income that My Finance Club's checks established; and the lack of any apparent issues with his credit history from the results of those checks; I'm satisfied My Finance Club's check's went far enough for loans 1-4, and the based on the results of those checks, it wasn't unreasonable for My Finance Club to conclude that the lending was affordable for Mr G.

Finally, I've also considered whether the relationship might have been unfair under Section 140A (S140A) of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think My Finance Club lent irresponsibly to Mr G in respect of loans 1-4, or otherwise treated him unfairly in relation to them. I haven't seen anything to suggest that S140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that do not uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 January 2026.

Brad McIlquham
Ombudsman