

The complaint

Mrs C complains that East End Fair Finance Limited trading as Fair Finance (“Fair Finance”) irresponsibly provided her with seven short-term loans that she couldn’t afford.

What happened

Mrs C applied for and was approved for the following loans from Fair Finance over a three year period:

Date	Loan amount	Weekly repayment	Term	Total payable
07/04/2021	£430	£16.28	39 weeks	£664.92
01/06/2021	£900	£28.05	Not known	Not known
18/08/2021	£1,400	£35.90	68 weeks	£2,469.20
06/12/2021	£1,900	£43.12	78 weeks	£3,363.36
27/04/2022	£2,400	£50.22	78 weeks	£3,967.08
13/04/2023	£2,800	£59.22	78 weeks	£4,169.16
03/04/2024	£3,000	£63.69	78 weeks	£4,967.82

On 3 November 2024, Mrs C complained to Fair Finance that it had provided the loans irresponsibly. As no final response letter (“FRL”) was forthcoming from Fair Finance, Mrs C referred her complaint to us on 13 January 2025.

On 6 May 2025, Fair Finance eventually issued Mrs C with an FRL. It apologised for the amount of time it had taken to issue its FRL and explained why there had been a delay. Under cover of this FRL, Fair Finance explained how it assessed Mrs C’s affordability for each loan and said it was satisfied it hadn’t lent irresponsibly. Fair Finance signposted Mrs C within its FRL to organisations that could help her with her finances.

Unhappy with this FRL, Mrs C confirmed she wished our service to consider her complaint.

Our investigator didn’t uphold Mrs C’s complaint.

Mrs C didn’t agree so her case has been passed to me to make a decision.

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.

I’m aware that I’ve summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I’ve focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

Fair Finance will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Mrs C's complaint. Having looked at everything I've decided to not uphold Mrs C's complaint for broadly the same reasons as our investigator and I've explained why below.

Fair Finance's decision to grant Mrs C seven loans between 2021 and 2024

Fair Finance was required to lend responsibly. It needed to conduct checks to make sure that the loans it offered to Mrs C were affordable and sustainable. Such checks needed to be proportionate to things like the amount of credit offered to Mrs C and how much she had to repay each month.

This means to reach my decision I need to consider if Fair Finance carried out proportionate checks at the time of Mrs C's application; if so, did it make a fair lending decision based on the results of its checks; and if not, what further and proportionate checks would most likely have shown.

As part of Mrs C's applications, she declared she was retired and receiving approximately £1,200 a month in state pension and benefits.

Fair Finance says it conducted credit checks for each loan to determine whether to lend to Mrs C and also took into consideration the information Mrs C provided in her applications. And this also included reviewing three months of joint account bank statements prior to each lending decision. Fair Finance said, from the credit checks it conducted, the review of bank statements and the information Mrs C provided, each loan appeared affordable as Mrs C had a sufficient amount of disposable income left to afford the weekly repayments for each loan.

Fair Finance said there wasn't any recent adverse information on Mrs C's credit file prior to the loans being approved (although historical defaults and discrepancies were recorded which it sought explanations for as detailed below) and each loan appeared affordable for her. On the other hand, Mrs C told us that they weren't affordable as she was in financial difficulty and there was adverse information on her credit file.

I've carefully thought about what Mrs C and Fair Finance have said.

Fair Finance didn't just simply accept what Mrs C said. It carried out credit searches which showed that Mrs C had no recent adverse information on her credit file that it could see (apart from information it sought clarity about before loans two and six as detailed below). And I don't think that it was unreasonable to rely on Mrs C's declarations, which suggested that the repayments for each loan were affordable given she was left with a disposable income sufficient to repay the loans and to afford any other unexpected payments. And this

information, including Mrs C's declared income was confirmed by using credit reference agency, national statistical data and Fair Finance reviewing three months of banking statements prior to each loan approval.

So, from what Fair Finance told us and from the evidence I've seen, Mrs C didn't have any recent adverse information such as defaulted accounts or county court judgements recorded against her at the time she applied for the loans (and which on the face of it suggests Mrs C was reasonably managing the credit she had already been provided with).

I appreciate that Mrs C did have historical defaults but this won't automatically debar a consumer from being provided with further credit and nor should it. There's a balance to be maintained between businesses taking into consideration the previous history of consumers and to lend responsibly and ensuring it doesn't discriminate against consumers who may have had previous historical defaults but no recent adverse credit information and who want to borrow more and improve their credit rating. Ultimately, Fair Finance had to be satisfied, from the recent information it saw and was provided with, that Mrs C could afford the credit it offered and that she could do so going forward. And on balance, from the evidence I've seen, I'm satisfied she could.

From the evidence I've seen, there was no adverse information such as defaults or delinquencies within the preceding 12 months of each loan (although two current defaults over 36 months old for nominal amounts) but there was, as in the case for loan two and six, two returned direct debits (DD) and a credit card account in arrears that Fair Finance sought an explanation from Mrs C for. Prior to loan two being approved, Fair Finance asked Mrs C about two returned direct debits and she gave a feasible explanation regarding a business trying to take a further DD for an already repaid account and a mix-up over a TV licence fee which was quickly resolved and paid. Prior to loan six Fair Finance asked Mrs C about a credit card account that it noted was in arrears. Mrs C explained this was due to difficulties she has with the App and this had since been brought back within the authorised limit. So none of these discrepancies represented any evidence of financial difficulty after Fair Finance took the responsible and reasonable approach of seeking explanations.

And prior to granting the seventh and last loan, Fair Finance sought reassurance from Mrs C around how she would afford this further advance. And Mrs C pointed out that her income had increased by 10%, she had the financial support of her partner, she was mortgage free and had free bus travel and that she had maintained all her previous repayments for her other loans.

I accept that Mrs C has suggested that her actual circumstances may not have been fully reflected either in the information she provided, or the information Fair Finance obtained. However, I've not seen any evidence that she let Fair Finance know about this until she made her complaint to it. And in its final response, Fair Finance signposted Mrs C to organisations that may be able to help her going forward and which I hope she considers if appropriate to do so.

But it's only fair and reasonable for me to uphold a complaint in circumstances where a lender did something wrong. Given the amount of the weekly repayments and the lack of other obvious indicators of an inability to make the weekly repayments for the loans in the information Fair Finance did obtain, I don't think it needed to make any further checks especially considering that it had already reviewed three months' worth of bank statements prior to each loan being agreed and which is above and beyond what the majority of other lenders take into consideration.

At best, even if I were to accept that further checks were necessary, which I'm not necessarily persuaded is the case here, any such checks would only have gone as far as

finding out more about Mrs C's regular living costs. And given the fact that Mrs C wanted and applied for these loans, I'm not sure she would have disclosed anything further about her financial situation in the knowledge that if she had, the loans may not have been approved.

So on balance, I don't think that Fair Finance did anything wrong when deciding to lend to Mrs C - it carried out proportionate checks (albeit I accept that Mrs C doesn't agree that these went far enough) and reasonably relied on what it found out, asking further questions of Mrs C where appropriate and which suggested the repayments for each loan were affordable.

I'm sorry to hear Mrs C's circumstances were more difficult than Fair Finance was aware of, and that the loans may have contributed to further financial difficulties for her. I've considered whether there were any signs that Mrs C would struggle to afford as well as sustain these loan repayments, but I can't fairly conclude that Fair Finance received information about her finances suggesting this would be the case.

So overall I don't think that Fair Finance treated Mrs C unfairly or unreasonably when providing her with the loans. And I'm not upholding Mrs C's complaint. I appreciate this will be very disappointing for Mrs C as I can see that she feels strongly about this matter. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

Did Fair Finance act unfairly in any other way?

Mrs C was also unhappy that Fair Finance didn't send her a FRL. Fair Finance had eight weeks in order to issue its FRL after Mrs C complained to it on 3 November 2024, so until early January 2025 (although this did include the Christmas period). Mrs C referred her complaint to us on 13 January 2025, as was her right to do so once the eight weeks had expired as there was no FRL forthcoming from Fair Finance.

Fair Finance eventually sent us a FRL dated 6 May 2025 which we forwarded on to Mrs C. However, it explained the delay was due to a security issue as Mrs C had used family member's email addresses when she communicated with Fair Finance. Mrs C explained she had done this as she didn't like using the internet. So whilst I appreciate that the delay in issuing its FRL caused Mrs C frustration, I think Fair Finance did this with the best intentions in seeking to protect her personal information, as it was obliged to do under data protection rules. Fair Finance apologised for the delay and explained why it had been necessary. I think that was the correct thing to do and ultimately I don't think Fair Finance did anything wrong in trying to protect Mrs C's personal information which it was legally obliged to do.

I've also considered whether Fair Finance acted unfairly or unreasonably in any other way, including whether the relationship between Mrs C and Fair Finance 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 Fair Finance lent irresponsibly to Mrs C or otherwise treated her 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.

Although I'm not upholding Mrs C's complaint, I would like to remind Fair Finance of its ongoing obligation to exercise forbearance and due consideration if Mrs C has difficulty making her existing loan payments going forwards. I'd also ask Fair Finance to reach out to Mrs C in an appropriate way as from recent communication we've received from her, she has been trying to contact Fair Finance in relation to missed repayments since loan seven was approved due to a change in address and new bank DD details.

My final decision

My final decision is that I don't uphold this complaint against East End Fair Finance Limited trading as Fair Finance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 23 October 2025.

Paul Hamber
Ombudsman