

## The complaint

Miss D complains that Fintern Ltd trading as Abound ('Abound') was irresponsible in its lending to her and failed to recognise her as a vulnerable consumer.

## What happened

Miss D was provided with a £6,000 loan by Abound in January 2023. The loan term was 60 months, and Miss D was required to make 59 monthly repayments of £150.25 with a final repayment of £117.20.

Miss D explained her medical conditions and said that despite her bank statements showing her benefits, Abound made no effort to identify or support her as a vulnerable consumer. Miss D said that at the time she was making the minimum repayments on her existing credit commitments and was struggling with her mental health and financial stress. Miss D didn't think that Abound had carried out adequate checks and didn't consider if she would need to borrow more to repay this loan. Miss D said that this loan has put her in a worse financial position and the repayments were unaffordable.

Abound responded to Miss D's complaint explaining that it used open banking data to assess affordability and carried out a credit search. It said that having reviewed Miss D's complaint it was satisfied that the loan had been provided responsibly. It noted Miss D's comment about her vulnerabilities but said that she hadn't made it aware of these until she referred her complaint to this service.

Miss D said that while Abound didn't uphold her complaint it had offered her £250 as a gesture of goodwill which she said she thought was an attempt to silence her and she said she had been contacted several times to try to get her to accept the offer. This offer was then increased to £750 and was stated as being in full and final resolution of the complaint.

Miss D didn't accept the offers made by Abound and instead decided to refer her complaint to this service. Abound has confirmed that the offers made are no longer available.

Our investigator thought that the checks carried out by Abound before the loan was issued were proportionate. As these suggested the loan to be affordable for Miss D, she didn't think that Abound had made an unfair lending decision. Our investigator considered the information Miss D had provided about her vulnerability but noted that Abound had said it hadn't been made aware of any vulnerability by Miss D at the application stage and it only became aware when Miss D raised this with our service. She noted the comment that Abound should have identified the vulnerability from the benefit payments, but our investigator didn't think these payments meant that Abound should assume Miss D would struggle to make sound decisions.

Miss D didn't accept our investigator's view. She noted that our investigator had included her mortgage payment but said that Abound hadn't done so despite the mortgage being on her credit file and her declaring payments towards this. She said the benefits she received were only available to disabled people and it was Abound's duty to take reasonable steps to identify and understand any vulnerability. She further noted that the benefit payments

shouldn't be considered as part of her income as they were made to recognise disabilities / health related limitations and the payments were assessed every year. She said that Abound put pressure on her to accept its offers and not to escalate the complaint.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman to issue 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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Miss D was provided with a £6,000 loan. Before the loan was issued, Abound used open banking data to assess Miss D's financial situation. From this data it was able to identify her income, financial commitments and other essential living costs. It used this data to assess the affordability of the loan and identified that after costs, Miss D would have around £367 of disposable income to cover the cost of the loan repayments and any unforeseen expenses. A credit check was also undertaken.

Having considered the size and term of the loan and the size of the repayments and noting the checks that were undertaken included an income and expenditure assessment based on Miss D's open banking data and a credit check, I think the checks carried out before the loan was issued were reasonable. However, just because I think reasonable checks were undertaken, it doesn't necessarily mean that I think the loan should have been given. To assess that I have considered the outcome of Abound's checks to see if these raised concerns that meant further information should have been gathered or the loan not provided.

I have looked through the information gathered from Miss D's credit file, and this showed no arrears, defaults or county court judgements. The credit report recorded Miss D as having eight active accounts including a mortgage, two loans, two credit card/store card accounts, two current accounts and a mail order account. Her revolving credit accounts were operating within the limits and Miss D had a small overdraft (£28). I do not find that the credit report showed signs that suggested Miss D was over indebted and noting when the credit was taken out, I do not find it showed signs of a recently increased reliance on credit. Miss D was managing her existing credit commitments and so I do not think that based on the credit check results further questions were needed, or the loan shouldn't have been provided.

I have then considered the affordability of the loan. Open banking data was available to Abound and it was able to verify a net monthly income of around £1,533, which included a regular income and around £100 from benefits. While I note Miss D's comment about the benefit payments, these were a regular source of income for the months leading up to the lending and there was no evidence at that time that they wouldn't continue. So, I find it reasonable the benefit receipt of around £100 was included in the assessment.

Miss D's expenses for costs such as utilities, insurance, communications / media contracts as well as general living costs such as food and transport averaged around £896 a month.

Based on the credit file, Miss D's repayments for her existing loans totalled £193 a month and payments towards her revolving credit were calculated as around £78 which based on the balances in her credit file, I find reasonable.

Miss D declared her contribution to her mortgage as £250 and her credit report showed mortgage payments of £721. Abound didn't include the mortgage contribution in its assessment as the payments were not seen in Miss D's open banking data. Miss D has explained that her partner paid the mortgage and she paid other household costs. Therefore, I think that had Abound asked Miss D about the housing payments she made this cost sharing would have been identified. Abound included the full costs of Miss D's payments for the costs she was responsible for and so this gave a reasonable reflection of her expenses. Based on this assessment the loan appeared affordable for Miss D.

That said, even if half of the mortgage cost was included, I still do not find I can say the loan should have been considered unaffordable. This is because, the loan was intended for debt consolidation and the size of the loan was sufficient to repay Miss D's existing debts. This would therefore leave her with ongoing credit costs of the repayments on this loan, of around £150. Deducting these, along with the share of mortgage (£361), and her living costs (£896) from her income of £1,533, would still leave her with around £126 of disposable income to cover any unforeseen costs.

Based on the above, I do not find I can say that the loan should have been considered unaffordable for Miss D.

Miss D has said that given the benefits she was receiving, Abound should have done more to understand her vulnerabilities. While I note this comment, the income from benefits was relatively small and I do not think the benefit receipt on its own meant that Abound should have been concerned the Miss D wasn't able to make an informed decision about the lending. Miss D was managing her existing commitments and had requested the loan for consolidation purposes, which suggested she was able to manage her money. So, in this case, I do not think the benefits should have triggered further questions and as there is no evidence to show that Miss D told Abound about her medical conditions before it lent, or before she raised her complaint with this service, I do not find that Abound should have been reasonably aware of these.

I've also considered whether Abound acted unfairly or unreasonably in some other way given what Miss D has complained about, including whether its relationship with Miss D 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 Abound lent irresponsibly to Miss D 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.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 5 March 2026.

Jane Archer  
**Ombudsman**