

The complaint

Miss K says Salad Finance Limited, trading as Salad Money, irresponsibly lent to her.

What happened

Miss K took out a £1,000 loan over 18 months from Salad Money on 19 January 2024. The monthly repayments were £85.11 and the total repayable was £1,527.11.

Miss K says all of her bank accounts and transactions were not looked into correctly at the time the loan was granted. She had a gambling addiction and as a result of this loan has accumulated more debt.

Salad Money says it used open banking data to assess the affordability of the loan and there was no information to suggest it wasn't affordable.

Our investigator did not uphold Miss K's complaint. Miss K disagreed with this assessment and asked for an ombudsman's review. She said the gambling transactions would have been visible through proper open banking checks across all her accounts. Her bank statements should have been checked. She did not have the disposable income Salad Money calculated, she was reliant on third parties and transfers into her account.

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.

We've set out our approach to considering unaffordable and irresponsible lending complaints on our website including the key relevant rules, guidance and good industry practice. I've had this approach in mind when considering Miss K's complaint.

Salad Money needed to take reasonable and proportionate steps to ensure that it didn't lend to Miss K irresponsibly. This means it should've carried out reasonable and proportionate checks to satisfy itself that Miss K could repay the loan in a sustainable way. These checks could take into account a number of things such as the loan amount, the repayment amount and Miss K's income and expenditure.

This means to decide this complaint I need to consider if Salad Money's checks were proportionate; if so, did it make a fair lending decision; if not, what would proportionate checks most likely have shown; and finally, did Salad Money act unfairly towards Miss K in some other way.

I've looked at the checks Salad Money carried out. It used open banking to obtain three months' data on Miss K's actual financial circumstances using her primary bank account. It reviewed Miss K's incomings and outgoings, including what she was spending on her existing credit commitments. It checked there was no evidence of financial vulnerability such as frequent gambling or lots of cash withdrawals. It also checked that she had no CCJs (county court judgments), nor an IVA (individual voluntary arrangement) or DMP (debt

management plan) or records of bankruptcy. Based on these checks combined Salad Finance concluded the loan was affordable for Miss K.

I think these checks were proportionate given the value, cost and term of the loan. And I find that Salad Money made a fair lending decision based on the results. Our investigator suggested a fuller credit check was needed but given other checks, the size of the loan and the fact public records were checked I am satisfied they were proportionate.

The open banking analysis showed Miss K had enough disposable income to afford the loan on a pounds and pence basis. And it did not show she was overly indebted. She was spending around 15% of her income on credit at the time and taking on this loan increased that to around 18%. The checks showed none of the typical signs of financial difficulties such as the use of payday loans, problematic gambling, persistent reliance on an overdraft facility or multiple returned direct debits. In the round I think Salad Money made a fair lending decision.

Miss K says Salad Money was wrong to lend to her and she sent in evidence of her gambling at the time. But none of the transactions she listed in her email came from her main current account that Salad Money had accessed via open banking. I can see the spend leaving her other account as she sent us statements.

But I disagree, based on the size of the loan and its repayments, and the information gathered from the initial checks, that Salad Money needed to ask for bank statements for all or any of Miss K's accounts. As the account she gave open banking access to was her main account and showed her salary, benefits and all regular expenses it was reasonable for Salad Money to rely on that data for the affordability analysis. There were transfers between her accounts as she said, but she transferred more out of her primary account than she moved in so that would not have meant her disposable income was over-stated.

It follows I do not think Salad Money was wrong to lend to Miss K. To be clear, I don't doubt Miss K's testimony and I acknowledge that her financial reality was not wholly reflected in the checks. I am sorry she has struggled with problematic gambling. But from the proportionate checks Salad Money completed I cannot see there were any indicators of financial strain that it missed. I hope Miss K now has the support she needs, if not StepChange (0800 138 1111) and Gamcare (0808 802 0133) are organisations that provide free advice and support for debt management and problematic gambling respectively.

I've also considered whether the relationship 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 Salad Money lent irresponsibly to Miss K 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

I am not upholding Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 24 December 2025.

Rebecca Connelley
Ombudsman