

The complaint

Mr H complained about the way Inclusive Finance Limited trading as Creditspring (Creditspring) administered a fixed sum loan agreement.

What happened

The circumstances of the complaint are well known to the parties, so I won't go over everything again in detail. But to summarise, Creditspring offer loans with a monthly membership cost rather than an interest rate. Mr H took out a loan in May 2024. This allowed him to draw two advances of £1,200 over a 12-month minimum period provided the initial drawdown of £1,200 had been repaid. There was a membership fee of £24 per month and the total charge for credit was £288.

Mr H said he requested a payment plan in September 2024 to change his payment date due to health reasons. However, he said he wasn't told this would result in an "arrangement to pay" to be recorded on his credit file. He said that he was told over the phone that he could continue payments with interest and had he known, he wouldn't have gone ahead with the plan. He said as a result of the information recorded it has impacted his ability to get a mortgage and to finance a car for work. He complained to Creditspring and said he informed it of his health issues and vulnerability and that it didn't treat him reasonably. He wanted Creditspring to remove the markers from his credit file and compensate him for the distress and inconvenience the matter had caused.

Creditspring responded to Mr H's complaint and said it had received a request for forbearance in September 2024 to move the payment date to October 2024 and this was done through its systems. As it received this request, it amended the loan term, and this was reported as an "arrangement to pay". It said that before a payment is accepted its systems states that any changes to the payment plan will be reported to the credit reference agencies. It said it recorded a true and accurate reflection of the account and didn't agree to remove the "arrangement to pay" markers.

Mr H referred his complaint to the Financial Ombudsman Service. An investigator considered the complaint but didn't uphold it. She said she didn't think Creditspring acted unfairly in recording the information on Mr H's credit file.

Mr H didn't agree and reiterated that he wasn't told the information would be recorded on his credit file and this had a negative impact on him.

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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time.

I'm sorry to hear about the impact the situation is having on Mr H. Mr H has made detailed submissions to all parties including our service, I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to assure Mr H and Creditspring that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Where evidence is incomplete, inconsistent or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

Mr H entered into a fixed sum loan agreement with Creditspring. This is a regulated consumer credit agreement, and our service is able to consider complaints relating to this sort of agreement.

Having considered all the circumstances, I've reached the same overall conclusions as the investigator for broadly the same reasons. I have to consider if Creditspring acted fairly in applying the "arrangement to pay" marker on his credit file.

Mr H said that he wasn't told over the phone that the payment plan would result in the markers being recorded. Creditspring has said that the request was made through the online portal. I've considered the information from Creditspring's website and I can see it states:

"You can request changes to either the repayment dates or the repayment amount. These adjustments will be reported to credit rating agencies, but the impact is much less severe than not making payments.

To request these changes, please provide the necessary details by clicking [here](#). We'll promptly review your request and update your plan, or we'll reach out if we need more information. Typically, this process takes up to 5 days to complete"

I think that based on the information available on Creditspring's website, on balance, it's more likely than not that Mr H requested a payment plan through the online portal, which explains that the adjustments will be reported to the credit reference agencies.

I've also noted that the terms and conditions say that:

" 18.5. Your information may be shared with other organisations and used by us and them to:

- check details on applications for credit and credit related or other facilities for you or members of your household;*
- check details on proposals and claims for all types of insurance;*
- trace debtors, recover debt, prevent money laundering and fraud, and to manage your accounts and credit related accounts;"*

So, I'm satisfied that Creditspring made it clear that any payment plan would be reported to the credit reference agencies and that it shared information which could be used to check information on credit applications and to manage accounts.

I understand Mr H said that the information on his credit file has impacted other applications for borrowing. I haven't seen evidence that this was a direct consequence of the information recorded by Creditspring. But in any event based on what I've seen I don't find that Creditspring acted unfairly by recording the account as an "arrangement to pay" or that it

didn't inform Mr H that this information would be recorded. I'm therefore satisfied that it acted fairly and I won't be directing it to remove the information or pay Mr H any compensation.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 February 2026.

Amina Rashid
Ombudsman