

## The complaint

Miss M complains about Gain Credit LLC trading as Lending Stream's decision to lend to her. Miss M says she shouldn't have been provided with the credit.

## What happened

Miss M complained to Lending Stream about its decision to lend. It didn't uphold her complaint. So, Miss M referred her complaint to the Financial Ombudsman Service and when this service requested information from Lending Stream, it responded by upholding Miss M's complaint about two loans and making an offer. Miss M responded to accept the offer and said she had four loans from Lending Stream, and she wanted the other loans to also be investigated.

Our investigator asked Lending Stream for information about the other two loans it lent Miss M, and it says it no longer holds any records of those loans and is unable to provide any information about them.

Miss M provided her credit agreements for these loans along with her bank statements showing the deposits into her bank account and her repayments towards the loans.

Based on the information Miss M and Lending Stream have provided, Lending Stream provided the following loans to Miss M.

Loan no:	Start date	Loan amount	Term	Highest Repayment	End date
1	21/09/2018	£150	6 months	£48.54	04/03/2019
2	18/10/2018	£190	6 months	£62.83	04/03/2019
3	29/12/2018	£110	6 months	£34.30	18/06/2019
4	24/02/2019	£100	6 months	£31.77	16/08/2019

Our investigator looked at the two loans Miss M had provided information for and thought Lending Stream shouldn't have lent those loans. So, our investigator recommended that Miss M's complaint about those loans should be upheld.

Lending Stream disagreed, it said it didn't hold any information from those loans and that the investigator had reconstructed Miss M's financial position from the time with information that it is unlikely to have had. It also said even if it agrees that the complaint about those loans should be upheld, it said didn't think it could fairly calculate redress as there's no definite information about when Miss M repaid the loans.

As an agreement couldn't be reached about loans 1 and 2, the complaint has been referred to me, an ombudsman 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.

We've set out our general approach to complaints about unaffordable/irresponsible lending - including all of the relevant rules, guidance and good industry practice - on our website.

Lending Stream accepts it shouldn't have lent Miss M loans 3 and 4 and has offered to redress Miss M for those loans. As there's no continuing dispute about loans 3 and 4, I've focused my decision on loans 1 and 2.

Lending Stream is aware of its obligations as a lender as explained in the regulator's handbook, so I don't intend to go into all the details about its duties and obligations. In summary, Lending Stream is required to take reasonable steps to ensure that it didn't lend irresponsibly. There isn't a prescriptive level of checks to ensure responsible lending and in the early stages of a lending relationship, I think less thorough checks might be reasonable and proportionate.

But certain factors might point to the fact that Lending Stream should fairly and reasonably have done more to establish that any lending was sustainable for the consumer. These factors include:

- the *lower* a consumer's income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);
- the *higher* the amount due to be repaid (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- the *greater* the number and frequency of loans, and the longer the period of time during which a customer has been given loans (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable.

Lending Stream has been unable to provide any information about loans 1 and 2 as it says due to the time that has passed since the loans were closed, it no longer holds this information. By the time Miss M complained to Lending Stream in October 2024, it was just six years from the point loans 1 and 2 were granted to her (based on the agreements she has produced). I haven't held the lack of information from Lending Stream against it but I've considered the matter on the basis of the information that has been provided.

In any event, where a business is unable to provide the information, it is reasonable for this service to request the information from the other party, usually the consumer. In this case Miss M has provided her bank statements, showing the loan deposits into her account and the repayments towards the loans being made from her account. Miss M has provided copies of the loan agreement which confirm the loan amounts and the repayments due.

While I understand Lending Stream's concerns about the lack of information from its side on the exact way the loans were fully repaid, I don't think it is fair for Miss M to be disadvantaged by this in the circumstances. I think it is fair to consider the complaint based on the available information and draw conclusions on how the complaint should be resolved using this information and all the relevant circumstances around the lending.

As Lending Stream hasn't provided any information about the checks it carried out, I can't conclude that it carried out sufficient checks. I've relied on Miss M's bank statement to understand her circumstances at the time. From what I can see, Miss M's income fluctuated. In July 2018 she received £375, in August 2018 she received around £600 and in

September 2018, around £350. Lending Stream recorded her income at the time of loan 3 as around £700, which is confirmed in her bank statements.

Miss M's bank statements show she was borrowing and repaying at least three other short-term lenders at the time. Miss M was also repaying two credit card accounts. From what I can see, Miss M repaid around £444 and £728 towards credit in July and August 2018. I'm also mindful that at the time loan 2 was granted Miss M's bank statements show she was still repaying loan 1 and so both loans ran concurrently which increased Miss M's outgoings.

Given Miss M's circumstances, which I think Lending Stream would likely have found had it carried out sufficient checks before lending, I don't think Miss M was able to afford the repayments on the loans in question without the need for further borrowing.

Loan 3 was taken out two to three months after loans 1 and 2, Miss M's financial position at the time wasn't too dissimilar to what it was at the time of loans 1 and 2. I say this because I don't think sufficient time had passed for her financial circumstances to have become significantly different and her bank statements show this as well.

Ultimately, I think Lending Stream has lent those loans when it shouldn't have, and it need to put things right.

### **Putting things right – what Lending Stream needs to do**

Lending Stream has said the limited information makes it difficult to accurately calculate redress. However, this service has shared Miss M's bank statements with Lending Stream and as stated above the bank statements show the repayments including the date both loans were fully repaid. I think that provides sufficient information to enable Lending Stream carry out a fair calculation of the compensation due to Miss M. Lending Stream should use this along with the information on the credit agreement to calculate the redress due to Miss M.

To put things right for Miss M, Lending Stream should do the following.

- remove all interest, fees and charges applied to loans 1 – 4.
- refund the payments above to Miss M along with interest at 8% per year simple on the payments from the date they were paid, to the date of settlement†.
- remove any adverse information about the loans from Miss M's credit file.

†HM Revenue & Customs requires Lending Stream to take off tax from this interest. Lending Stream must give Miss M a certificate showing how much tax it's taken off if she asks for one.

### **Did Lending Stream act unfairly/unreasonably in some other way?**

I've also considered whether Lending Stream acted unfairly or unreasonably in some other way, including whether its relationship with Miss M might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974.

However, I'm satisfied the redress I have directed above results in fair compensation for Miss M in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

### **My final decision**

For the reasons given above, I uphold Miss M's complaint and direct Gain Credit LLC trading as Lending Stream to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 12 December 2025.

Oyetola Oduola  
**Ombudsman**