

## The complaint

Mr N complains that My Finance Club Limited trading as Ondal irresponsibly lent to him. Mr N says he shouldn't have been lent the loan as it was unaffordable.

## What happened

Ondal lent Mr N a loan in September 2024, the loan was for £400. The loan has a 60-day term to be repaid in one instalment of £592. Mr N hasn't been able to repay his loan and the balance remains outstanding.

When Mr N complained to Ondal, it didn't uphold his complaint, it said it carried out proportionate checks, and those checks showed Mr N could afford the loan. So, it didn't uphold his complaint.

Mr N referred his complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. Our investigator didn't recommend that the complaint should be upheld. Our investigator thought Ondal did enough before agreeing to lend to Mr N and those checks showed he could afford the loan.

Mr N didn't agree he said he was struggling financially at the time as he was gambling and so he couldn't afford the loan.

As the complaint remains unresolved, it has been passed 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.

Ondal 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 duty. In summary, Ondal 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 Ondal 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).

Ondal has provided information that the time of lending, Mr N declared his income as £2,550, Ondal verified this income through the amount of credit Mr N receives into his bank account. Mr N declared his living costs including credit commitments as £1,358. Ondal also searched Mr N's credit file and there was nothing within the search that showed any concerns.

Mr N's credit accounts were all up to date on repayments and there were no recent defaults or County Court Judgements.

I think in the circumstances Ondal's checks went far enough and those checks showed Mr N could afford to repay what he was borrowing without it having a detrimental effect on his finances.

Mr N has said he was gambling at the time and that impacted his ability to afford the loan. While I sympathise with Mr N, this wasn't something that was revealed from Ondal's reasonable and proportionate checks and as Mr N didn't inform Ondal about this, it was unaware. So, this isn't something I'd have expected Ondal to take into account as it was unaware and didn't become reasonable aware of this from proportionate checks.

I was sorry to read of the difficulties Mr N is going through, and I can see that Ondal has been working with him to agree a suitable repayment plan for the outstanding balance on his loan. I'd remind Ondal of its obligation to continue to show forbearance and treat Mr N positively in his financial difficulties.

Based on all the information, I don't think Ondal has lent to Mr N when it shouldn't have so I won't be asking it to put things right in this instance.

*Did Ondal act unfairly/unreasonably in some other way?*

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

However, for the reasons I've already given, I don't think Ondal lent irresponsibly to Mr N or otherwise treated him 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**

For the reasons given above, I do not uphold Mr N's complaint or make any award against My Finance Club Limited trading as Ondal.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 20 February 2026.

Oyetola Oduola  
**Ombudsman**