

## The complaint

Mr F complains that Gain Credit LLC trading as Lending Stream lent to him irresponsibly when it approved four loans for him in 2024 and 2025.

## What happened

Here is a brief table setting out the loans approved for Mr F.

Loan	Approved	Amount	Repayments (rounded)	Status
1	13 August 2024	£600	Scheduled as 6 months £185 each month	Repaid early on 30 August 2024
2	2 September 2024	£200	6 months instalments £66 each month	o/s in Feb 2026
3	8 September 2024	£310	6 months instalments £99 each month	o/s in Feb 2026
4	16 October 2024	£500	6 months instalments £151 each month	o/s in Feb 2026

Some of these loans overlapped and so the cost to Mr F would have been multiplied.

Mr F got into arrears. Repayment plans were arranged but in April 2025 Lending Stream issued Default Notices for the three loans outstanding. The agreements were then terminated and later in 2025 the debts were passed to a third party.

In May 2025, Mr F complained to Lending Stream and requested a refund of what he'd already paid and for the remaining balances to be written off. Lending Stream issued its final response letter (FRL) on 1 July 2025 in which it gave reasons why it considered it had carried out the right checks and approve the loans responsibly.

After the case was referred to the Financial Ombudsman, Lending Stream explained to us in July 2025 that the information in the FRL (the table at the end of that FRL) was incorrect in part:

*'...you may observe some discrepancies between the disposable income shared in the final response letter and the case file. We confirm that the information provided in the case file is accurate.'*

So, where Mr F has included in his complaint form to us that Lending Stream's calculations indicated he only had £240 of disposable income left with which to repay his loans (for Loans 2 and 3), we have been informed that this was incorrect. I mention this as I know Mr F had noticed that too.

Lending Stream also confirmed that it had used Open Banking to confirm Mr F's income for each loan before lending.

Our investigator wrote to Lending Stream to explain that in her view, the Open Banking would have led it to have seen Mr F's extensive betting and gambling transactions. So, she upheld the complaint for each of the loans. Lending Stream disagreed and gave reasons why, all of which I have read.

The unresolved complaint was passed to me to decide and after I had reviewed the complaint, I asked Lending Stream for more information surrounding the Open Banking element and just exactly what it had seen. Plus, I asked it about the discrepancies in the figures as I mentioned earlier in this section of the decision. I received information from Lending Stream and applied it to the facts of the complaint.

On 14 April 2026 I issued a provisional decision giving reasons why I did not consider that the complaint ought to be upheld. That is duplicated here for ease of reading.

### **What I provisionally decided on 14 April 2026 – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Lending Stream needed to make sure that it didn't lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mr F before providing it. Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. And I've used this approach to help me decide his complaint.

Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship. But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggesting the lender needed to know more about a prospective borrower's ability to repay.

I identified the explanation from Lending Stream that it had used Open Banking to verify Mr F's income for Loans 1 to 4. And the figures produced on the loans Information spreadsheet (part of the case file submitted to us) are very precise for Loans 2 to 4. Lending Stream has confirmed use of Open Banking for income verification only. Mr F recalls Lending Stream getting that Open Banking link. So, Mr F has made submissions to us that it must have seen his transactions and therefore his gambling, and Lending Stream ought not to have approved the loans. He has told us:

*'Lending Stream was the only one of three loan providers I used who required me to connect my bank account through Open Banking as part of the application process. This means they had direct access to my real bank statements, which would have clearly shown frequent gambling transactions and financial distress.'*

I've considered this carefully.

Mr F's applications show he gave Lending Stream his bank account details for an account ending \*1499. It was that account into which the Lending Stream loans were credited and from which it took payment. It was that account into which Mr F's income from his employer was paid.

Mr F has supplied to us copies of the bank account statements for the account ending \*1499 for the period leading up to each of the four loans. So, I am satisfied that this was the account Lending Stream was given access to through Open Banking. These bank account statements show extensive gambling transactions. To illustrate the extent, Mr F made payments of £1,785 on 31 July 2024 to an easily identifiable betting company. Other transactions were clearly to casinos.

Balanced against this is the fact that Lending Stream had asked Mr F what the loans were for and he had volunteered that they were for '*unexpected expenses/repairs.*' And my experiences of dealing with complaints of this nature is that it's highly unlikely that a person addicted to gambling, as Mr F has said to us he was at the time, would tell a potential lender

of that compulsive spending habit. So it is more likely than not that Mr F did say that the loan was for expenses or repairs.

Therefore, my view is that the Open Banking procedure would have been the only method through which Lending Stream may have become aware of Mr F's spending habits. I considered it fair that Lending Stream was given an opportunity to explain to us its Open Banking procedure and process, and to provide to us evidence of what that Open Banking verification process entailed. I wrote to Lending Stream on 26 January 2026 and received replies on 8 February 2026 and early April 2026.

I realise Mr F will be disappointed but having checked the systems with Lending Stream it has explained that it did use a third party to access the account but only to confirm Mr F's income. However, it has explained that it did not review the transactional information it received in error surrounding Mr F's expenditure data. And I accept that explanation.

Therefore, I have reviewed the evidence again with this clear assertion from Lending Stream. As a result of what it has told us and its processes at the time it didn't see the expenditure and therefore wouldn't, and couldn't have known, about Mr F's gambling given the rest of the checks that it carried out. Unless Mr F had told it about his gambling which I think was unlikely and I've no evidence to show me that he did do that.

The income figures for each of the loans were accurately verified and so I say no more about them. For each loan Mr F was earning between £3,400 and £3,500 a month after tax.

Lending Stream carried out a credit search for each application. I've reviewed the summary of results supplied by Lending Stream. The adverse data surrounding the defaulted accounts related to issues around 53 months before Mr F approached Lending Stream. I consider it fair and reasonable that Lending Stream has told us that it would have looked at that data as being historic, and therefore not an accurate reflection of his current financial situation. As it has said – the fact that there may have been one single delinquency marker more recently would not have led it to think that more checks were required or warranted. And I agree.

The figures Mr F had given Lending Stream to cover his general expenditure were increased a little following it having cross checked them with data bases for general household rent, council tax and bills. They were all between £752 and £852 a month and I consider that to have been a fair approach.

Having subtracted the increased general expenditure figures, and the credit commitment cost figures it had obtained from his verified income then Mr F was left with healthy disposable income figures for each loan application. These disposable income amounts ranged from £1,677 a month to £2,216 a month. As the loan repayments were all much smaller than these disposable income figures the loans looked affordable.

Mr F has queried about the multiple loan applications in a short space of time. And he is correct – he applied for £2,300 in two months – he was approved for £1,610. I have checked the statements of accounts (SOA's) to see at what point Mr F started to have trouble repaying these loans. Loan 1 was repaid early and without issue.

The 30 September 2024 was the start date for the instalments for Loans 2 and 3. Then on 31 October 2024, the Loan 4 repayments became due as well. At the end of September 2024 Mr F was expected to repay £165 for six months to cover those two loans. From 31 October 2024 that would have been £316 until the end February 2025 to cover three loans when it would have dropped down to being £151 in March 2025.

Mr F failed to repay on each of Loans 2, 3 and 4 in November 2024. By that time all the loans had been approved. So, there would have not been any repayment issues before he applied for Loans 3 or 4 which may have alerted Lending Stream to there being a repayment issue.

On the figures Lending Stream would have had enough to have been satisfied that Mr F could afford each of these loans even though they were due to overlap and, for a few months,

would have been costing him £316 each month. These disposable income amounts ranged from £1,677 a month to £2,216 a month.

So overall I consider that Lending Stream carried out proportionate checks and recognised that Mr F could afford the loans, even though he'd applied for them relatively close together. And I plan not to uphold the complaint.

I've also considered whether Lending Stream acted unfairly or unreasonably in any other way and 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 it lent irresponsibly to Mr F 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.

This is the end of the duplicated provisional 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.

Lending Stream has not responded to my provisional decision. Mr F has replied and he is not content. His main points are that Lending Stream ought to have looked at his bank account and would have seen his gambling. And, he adds that use of Open Banking just for his income was not reasonable of Lending Stream. Mr F has said: *'I believe a responsible lender should have reviewed this information in full, not selectively.'*

Mr F has also said: *'In addition, multiple loans were approved within a very short period of time. Even if my income appeared sufficient on paper, the pattern of repeat borrowing and increasing commitments should have prompted further checks.'*

I have explained in the provisional decision that Lending Stream had no justification to consider it needed to carry out checks over and above what it has told us it did. And so, it would not have reviewed his bank account statements. And unless Mr F told it about his gambling – which I doubt, and of which I have no evidence that he did – then it would not have recognised that his large disposable income was being diverted to compulsive spending habits.

Mr F has asked that any negative markers associated with these loans are removed, and that he is allowed to arrange a manageable repayment plan directly with Lending Stream. It knows that it needs to treat Mr F with forbearance and fairly. And so, in relation to the repayment plan then Mr F needs to contact Lending Stream for that.

And I cannot fairly direct any amendment to a credit file when the outcome is that Mr F's complaint is not upheld. I realise Mr F will be disappointed.

Considering all the complaint again, I do not uphold the complaint.

### **My final decision**

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 26 May 2026.

Rachael Williams  
**Ombudsman**