

The complaint

Mrs H complains that Inclusive Finance Limited trading as Creditspring (“Creditspring”) irresponsibly provided her with back to back loans which resulted in the last loan taken out being unaffordable for her.

What happened

Creditspring provided Mrs H with four loan facilities. The first was for £500 in September 2021. The terms of the facility meant Mrs H could make two separate drawdowns of £250. But Mrs H could only drawdown the second £250 once she’d repaid the first £250. Mrs H had a minimum of 12 months to repay each drawdown.

Whilst there was no interest to be paid on this loan, Mrs H had to pay a £8 a month membership fee for 12 months. This meant if Mrs H did draw down both amounts she’d have to pay £41.66 a month for 12 months in addition to the £8 a month fee. So this would have worked out at £49.66 a month in total and with a total amount payable of £596.

The second loan was for £1,000 in August 2022. The terms of the facility meant Mrs H could make two separate drawdowns of £500. But Mrs H could only drawdown the second £500 once she’d repaid the first £500 and again had a minimum of 12 months to repay each drawdown.

Again, whilst there was no interest to be paid on this loan, Mrs H had to pay £10 a month membership fee for 12 months. This meant if Mrs H did draw down both amounts she’d have a maximum of £83.33 a month to pay for 12 months on top of the £10 fee and this equated to a total amount payable of £1,120.

The third loan was for £600 in January 2023. The terms of the facility meant Mrs H could make two separate drawdowns of £300. But Mrs H could only drawdown the second £300 once she’d repaid the first £300 and again had a minimum of 12 months to repay each drawdown. As with the previous loans, there was no interest to pay and with a £10 a month membership fee, which Mrs H needed to pay together with the repayment amount of £50 (totalling £60 a month) and a total amount payable of £720.

The last loan was for £2,000 in September 2023. Again the terms of the facility meant Mrs H could make two separate drawdowns of £1,000. But Mrs H could only drawdown the second £1,000 once she’d repaid the first £1,000 and again had a minimum of 12 months to repay each drawdown. As with the previous loans, there was no interest to pay and with a £28 a month membership fee, which Mrs H needed to pay together with the repayment amount of £166.70 (totalling £194.70 a month) and a total amount payable of £2,336.

On 4 October 2024, Mrs H complained to Creditspring that it had lent to her irresponsibly whilst she was struggling financially.

Following Mrs H’s complaint, Creditspring wrote to her in a final response (FRL) on

7 October 2024 and explained it wasn't upholding her complaint. Unhappy with this response, Mrs H referred the complaint to us.

Our investigator upheld Mrs H's complaint for the third and fourth loans Creditspring had approved but not for the first two.

As Mrs H agreed with this outcome but Creditspring didn't respond by the deadline we gave, the case has been passed to me to make a decision.

On 31 October 2025 I issued a provisional decision on this case. In summary I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached a different conclusion as that of our investigator.

I'm aware that I've summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

Creditspring will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Having carefully looked at everything provided by both parties, I've provisionally decided not to uphold Mrs H's complaint. I've explained why below.

Creditspring's decision to lend to Mrs H

Creditspring needed to make sure that it didn't lend irresponsibly. In practice, what this means is Creditspring needed to carry out proportionate checks to be able to understand whether Mrs H could afford to repay before providing these loans.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. 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 it – 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 or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we'd expect a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

Creditspring says it agreed to Mrs H's applications after she provided details of her monthly income and some information on her expenditure. It says it cross-checked this against information on a credit search it carried out. And for all the approved loans, there was no recent adverse credit information prior to the applications such as defaults or delinquencies.

In Creditspring's view all of this information showed Mrs H could afford to make the repayments she was committing to on all loans.

On the other hand, Mrs H has said she was in financial difficulty by the time the last loan was approved and believes Creditspring shouldn't have lent to her.

I've carefully thought about what Mrs H and Creditspring have said.

Creditspring didn't just simply accept what Mrs H said. It carried out credit searches which showed that Mrs H had no adverse information on her credit file that it could see for any of the loan applications. And I don't think that it was unreasonable to rely on Mrs H's declarations, which suggested that the repayments were affordable. I say this as for the last loan, which Mrs H said was the loan that was unaffordable, Mrs H was left with a disposable income of around £1,362 in which to afford the facility. So I think a repayment of around £194 a month, in the absence of any concerning evidence, this loan appeared affordable. And in granting all the loans, Creditspring would have taken into consideration how Mrs H had managed the previous loans, which on the evidence available, she had managed well.

I accept that Mrs H appears to be suggesting that her actual circumstances may not have been fully reflected either in the information she provided, or the information Creditspring obtained. Mrs H told us she was struggling financially by the time of the last application. However, Mrs H didn't make Creditspring aware of this until she made her complaint to it and nor would it have been evident from the information it obtained. I'm sorry to hear about what Mrs H told us was happening in her personal life at the time and hope things improve for her.

But it's only fair and reasonable for me to uphold a complaint in circumstances where a lender did something wrong. Given the amount of the monthly repayments and the lack of other obvious indicators of an inability to make the monthly repayments, for all the loans in the information Creditspring did obtain, I don't think that reasonable and proportionate checks would have extended into requesting the information that would have shown Mrs H's personal issues at the time.

At best, even if I were to accept that further checks were necessary, which I'm not necessarily persuaded is the case here, any such checks would only have gone as far as finding out more about Mrs H's regular living costs. And I don't think that conducting a full financial review – which was really the only way that it might have been able to find out the full extent about Mrs H's circumstances - was the only way that Creditspring could have done this. But I think going as far as this would have been disproportionate given the circumstances. But even if Creditspring had looked at Mrs H's bank statements, I still think that it would have granted the loan applications. I say this as our investigator considered Mrs H's bank statements that she provided us but didn't note any significant adverse information which would have suggested the loans shouldn't have been granted or wouldn't have been sustainable.

As this is the case, I don't think that Creditspring did anything wrong when deciding to lend to Mrs H - it carried out proportionate checks and reasonably relied on what it found out which suggested the repayments were affordable.

So overall I don't think that Creditspring treated Mrs H unfairly or unreasonably when providing her with her loans. And I'm not upholding Mrs H's complaint. I appreciate this will be very disappointing for Mrs H as I can see that she feels strongly about this matter. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

Although I'm not upholding this complaint, I'd like to remind Creditspring of its obligation to exercise forbearance and due consideration should it intend to collect on any outstanding balance on Mrs H's current loan, considering what she's said about her current financial position and experiencing financial difficulty.

Did Creditspring act unfairly in any other way

I've also considered whether Creditspring acted unfairly or unreasonably in any other way, including whether the relationship between Mrs H and Creditspring 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 Creditspring lent irresponsibly to Mrs H 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.

Creditspring acknowledged my provisional decision but Mrs H didn't respond.

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.

As I haven't any new evidence to consider from either Creditspring or Mrs H, I see no reason to depart from my provisional findings and I now confirm them as final.

My final decision

My final decision is I don't uphold this complaint against Inclusive Finance Limited trading as Creditspring.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 15 December 2025.

Paul Hamber
Ombudsman