

The complaint

Mr B complains about irresponsible lending and mis-selling of two loans that were made to him by Loans 2 Go Limited.

What happened

Mr B applied to Loans 2 Go for a loan in December 2024, it agreed to lend him £500 and he electronically signed a fixed sum loan agreement in December 2024. He agreed to repay the loan by 18 monthly payments of £97.78. Mr B applied to Loans 2 Go for another loan in January 2025, it agreed to lend him £1,000 and he electronically signed a fixed sum loan agreement in January 2025. He agreed to repay that loan by 18 monthly payments of £195.56.

Mr B complained to Loans 2 Go about the loans in April 2025, but it didn't uphold his complaint. It described the checks that it had made before it lent to Mr B and said that it undertook credit checks and validated his income and expenditure information, and concluded that the loans were affordable. Mr B wasn't satisfied with its response so referred his complaint to this service.

His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She thought that the checks carried out for the December 2024 loan were reasonable and proportionate for the amount being offered and that Loans 2 Go made a fair decision to lend. She thought that Loans 2 Go should have verified Mr B's income and expenditure to ensure that the January 2025 loan was affordable, but there was sufficient disposable income for him to be able to afford that loan.

Mr B hasn't accepted the investigator's recommendation and has asked for his complaint to be referred to an ombudsman for a decision. He's provided further evidence in support of his position that the loans were unaffordable and shouldn't have been granted, which includes information about the loans being unaffordable, the debt escalation caused by the loans, the inadequate affordability checks and the recommendation made by this service on a complaint that he made about a loan from another lender.

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.

Mr B applied to Loans 2 Go for a loan in December 2024 and declared that his monthly income was £1,650. Loans 2 Go says that it verified that he received a minimum of around £1,468.45 each month using an online income verification tool and that, following an extensive review of his application and credit file, it calculated his monthly expenses to be

around £1,205.58. It says that a monthly loan repayment of £97.78 would have been affordable for Mr B.

Loans 2 Go was required to make reasonable and proportionate checks to ensure that any lending to be made to Mr B was sustainably affordable for him before entering into a loan agreement. Mr B says that Loans 2 Go should have carried out proper affordability checks before granting the loan and they would have highlighted that he didn't have the disposable income to afford the repayments without experiencing significant hardship.

Mr B had declared his income, which was verified by Loans 2 Go, it checked Mr B's credit file and it carried out an affordability assessment. The loan was for £500, repayable over 18 months by monthly payments of £97.78, and I consider that the checks that Loans 2 Go made were reasonable and proportionate in the circumstances of the loan that was being made to Mr B.

The credit check showed that there weren't any county court judgements against Mr B and he wasn't in an individual voluntary arrangement or bankruptcy, and that no default had been recorded against him since May 2022. Loans 2 Go describes itself as a subprime lender and says that it lends to people who may not have a good credit score and, if they can demonstrate stability and repay the loan instalment sustainably, subject to passing further checks, they may be eligible for a loan. I don't consider that the information that it obtained from Mr B's credit file showed signs of significant financial concern and I don't consider that it shouldn't have lent to him in those circumstances.

Mr B had declared that his monthly expenditure on home costs, groceries, utilities, transport and similar expenses was £270. Loans 2 Go conducted an affordability assessment using monthly expenses of £948.48, which was taken from Office for National Statistics' estimates, £57.10 for monthly repayments towards the existing credit commitments that were shown on his credit file, and £200 for the rental payments that he'd declared. It said that a monthly loan repayment of £97.78 would have been affordable for Mr B from the monthly income of £1,468.45.

I consider that it was fair and reasonable for Loans 2 Go to conclude, on the basis of the information that it had obtained from the reasonable and proportionate checks that it had made, that a loan of £500 with a monthly repayment of £97.98 was likely to have been sustainably affordable for Mr B at that time. I also consider that it made a fair lending decision when it made the loan to him.

Mr B applied to Loans 2 Go for another loan in January 2025 and declared that his monthly income was £1,800. Loans 2 Go says that it verified that he received a minimum of around £1,607.23 each month using an online income verification tool. Mr B also declared that his monthly expenditure on home costs was £200, on groceries was £20 and on utilities was £20, and that he didn't have any spending on transport, credit commitments or other regular expenses. Loans 2 Go again checked Mr B's credit file and it carried out another affordability assessment. As this was the second loan application that Mr B had made to it in just over six weeks, I consider that reasonable and proportionate checks would have required it to have obtained more detailed information about Mr B's income and expenditure. As it didn't do that, I don't consider that the checks that it made were reasonable and proportionate, so I've considered what Loans 2 Go was likely to have discovered if it had obtained more detailed information about Mr B's income and expenditure.

Mr B has provided copies of some of his bank statements and the investigator looked at those statements for October to December 2024, the three month period before the January 2025 loan was made to him. I don't consider that Loans 2 Go was required to ask for, or to have reviewed, Mr B's bank statements as information about his income and expenditure

could have been obtained in other ways, but the bank statements are a good source of information about Mr B's income and expenditure.

The investigator calculated from those bank statements that Mr B's average monthly income was £1,648.67 and that his average monthly expenditure on rent, utility bills, supermarket shopping, transport, gym membership, mobile phone loan and insurances was £1,061.34. That would have left him with a disposable income of £587.33, from which he'd have to pay £97.78 for the December 2024 loan and £195.56 for the January 2025 loan. He'd then have been left with £293.99 each month, so I don't consider that there's enough evidence to show that the January 2025 wasn't sustainably affordable for Mr B at that time or that Loans 2 Go shouldn't have made the loan to him.

Mr B said in his complaint form that he has a history of trading losses clearly visible on his bank statements and he's referred to his gambling addiction. I appreciate the difficulty that trading losses and a gambling addiction are likely to have caused him, but I've seen no evidence to show that Loans 2 Go was aware, or ought reasonably to have been aware, of his trading and gambling at the time of the loans. I can see that he paid £200 to a trading platform immediately before the January 2025 loan was made to him and then paid £1,000 to the trading platform immediately after that loan had been made to him, but that information wouldn't have been seen by Loans 2 Go when it was making its lending decisions. The investigator has provided Mr B with information about organisations that may be able to help him.

In his response to the investigator's recommendation, Mr B has referred to the recommendation made by another investigator on a complaint that he's made to this service about a loan from a different lender. He says that he upheld his complaint on the basis that, although some checks had been undertaken, the lending was deemed unfair because his disposable income was insufficient to sustain the repayments. This service considers each complaint on its individual merits, but I've looked at the complaint to which Mr B has referred. It relates to a loan that was made to him in June 2025 for £3,000, with a monthly repayment of £308.94, the lender had upheld Mr B's complaint and had offered to refund all interest on the loan, and the investigator's assessment of the affordability of the loan included the payment that Mr B is making on the January 2025 loan from Loans 2 Go. I don't consider that the investigator's recommendation on that complaint shows that the January 2025 loan from Loans 2 Go wasn't affordable for Mr B at the time that it was made to him.

Since Mr B complained to it, Loans 2 Go has accepted his payment plan proposal of £50 and has confirmed to him the details of the payment arrangement. Loans 2 Go is required to respond to any financial difficulties that Mr B is experiencing positively and sympathetically and, by accepting Mr B's payment proposal, I consider that it has done so. Mr B contacted Loans 2 to Go last month and asked it to write-off the interest on the loan, but it refused to do so. I don't consider that Loans 2 Go is required to write-off any of the interest on the loans.

I've also considered whether Loans 2 Go acted unfairly or unreasonably in some other way, including whether its relationship with Mr B might have been unfair under section 140A of the Consumer Credit Act 1974. Having done so, I've not seen anything that makes me think that that was likely to have been the case. Mr B has said that Loans 2 Go should refund all interest and charges applied to the loans, allow him to repay only the principal at an affordable rate, and remove any adverse credit information relating to the loans.

Loans 2 Go is required to report true and accurate information about the loans to the credit reference agencies. I've seen no evidence to show that the information about the loans that it has reported to the credit reference agencies isn't true and accurate. I've carefully considered all that Mr B has said and provided about his complaint, but I'm not persuaded

that there's enough evidence to show that Loans 2 Go lent to him irresponsibly or that the loans were mis-sold to him. I appreciate that my decision will be disappointing for Mr B, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Loans 2 Go to refund any interest or charges to Mr B, to remove or change any of the information about the loans that it's reported to the credit reference agencies or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 January 2026.

Jarrold Hastings
Ombudsman