

Complaint

Mr S has complained about a loan Admiral Financial Services Limited (trading as “Admiral Money”) provided to him. He says that the repayments to the loan were not affordable given his existing indebtedness and so it was irresponsibly provided to him.

Background

Admiral Money provided Mr S with a loan for £20,000.00 in October 2023. The total amount to be repaid of £27,254.88, which included interest, fees and charges of £7,254.88, was due to be repaid in 72 monthly instalments of around £378.54.

Mr S was previously provided with an Admiral Money loan. However, he’s confirmed that he’s not complaining about that loan and therefore it hasn’t formed part of this complaint. As result all reference to loan made in this decision, is made with reference to the loan that Mr S took out with Admiral Money in October 2023.

One of our investigators reviewed what Mr S and Admiral Money had told us. And he thought that Admiral Money hadn’t done anything wrong or treated Mr S unfairly. So he didn’t recommend that Mr S’s complaint be upheld. Mr S disagreed and asked for an ombudsman to look at his complaint.

My findings

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

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Mr S’ complaint.

Having carefully considered everything, I’m not upholding Mr S’ complaint. I’ll explain why in a little more detail.

Admiral Money needed to take reasonable steps to ensure that it didn’t lend irresponsibly. In practice, what this means is that Admiral Money needed to carry out proportionate checks to be able to understand whether Mr S could afford to make his repayments before providing this loan.

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 provide loans to a customer irresponsibly.

Admiral Money says it approved Mr S's application after he provided details of his monthly income and some information on his expenditure. It says it cross-checked this against information on the amount of funds going into Mr S's main bank account and a credit search it carried out which showed Mr S's existing commitments were relatively well maintained at the time – insofar as it showed no recent adverse data.

In Admiral Money's view all of the information it gathered showed that Mr S could afford to make the repayments he was committing to. On the other hand, Mr S has said he was already in difficulty and couldn't afford this loan.

I've carefully thought about what Mr S and Admiral Money have said.

As Admiral Money asked Mr S about his income and expenditure and also carried out a credit check, it's clear that Admiral Money did obtain a reasonable amount of information before it decided to proceed with Mr S's application.

Having looked at the credit check, it's clear that Mr S had some existing debts. However, while I accept that Mr S might not agree with this, I don't think that these were excessive bearing in mind his income at the time. And importantly there wasn't anything obvious – such as significant adverse credit markers – such as defaulted accounts or county court judgments ("CCJ") showing on this. Given the information gathered suggested that the loan was affordable for Mr S, it's difficult for me to reach the conclusion that Admiral Money should have declined his application.

As this was a second loan that Admiral Money was providing to Mr S, at the absolute most it could be argued that it ought to have found out about Mr S' actual living expenses, rather than relying on estimates of this. That said, I've not seen anything to indicate that Mr S' committed non-discretionary expenditure was higher than the estimates (which were based on statistical data which it was permitted to use given there was nothing to suggest that Mr S fell outside the profile of the average borrower) that Admiral Money used.

More importantly I've not seen anything to indicate that Admiral Money finding out about Mr S' committed non-discretionary expenditure meant that this loan was unaffordable. As this is the case and while I sympathise with the difficulties that Mr S had making his payments and I'm sorry that he ended up defaulting on this loan, I've not been persuaded that it was unfair for Admiral Money to have provided this loan to him.

In reaching my conclusions, I've also considered whether the lending relationship between Admiral Money and Mr S might have been unfair to Mr S under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Admiral Money irresponsibly lent to Mr S or otherwise treated him unfairly. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

So overall and having considered everything, I'm satisfied that Admiral Money didn't treat Mr S unfairly or unreasonably when lending to him. And I'm not upholding Mr S' complaint. I appreciate this is likely to be very disappointing for Mr S – especially as it's clear that he feels strongly about his complaint. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 December 2025.

Jeshen Narayanan
Ombudsman