

The complaint

Mr N complains that Gain Credit LLC trading as Lending Stream (“Lending Stream”) gave him a loan without carrying out sufficient affordability checks. Mr N also says Lending Stream doesn’t want to accept his offer of a repayment plan.

What happened

In April 2025, Mr N was granted one instalment loan of £800. He was due to make five monthly payments of £254.75 followed by a final payment of £253.32. An outstanding balance remains due.

Following Mr N’s complaint, Lending Stream wrote to him and explained why its wasn’t upholding the complaint, Mr N then referred the complaint to the Financial Ombudsman.

The case was then considered by an Investigator, who didn’t uphold the complaint because Lending Stream had carried out proportionate checks which showed the loan was affordable. Mr N didn’t agree with the assessment, and I’ve summarised his responses below.

- Mr N says he can’t afford the repayments towards the loan.
- Mr N says, at the moment, he can only afford to pay back £4 per month and he says Lending Stream are refusing to accept the offer. Instead Lending Stream says it will accept the £4 per month for a period of time before wanting the monthly repayments to increase to around £54 per month - this is so the balance can then be repaid within two years.
- Mr N says that as he’s offered Lending Stream a monthly repayment that is affordable to him then it should be accepted.
- Mr N requested the Financial Ombudsman negotiate between himself and Lending Stream and if this isn’t possible then he would want the debt written off.
- Mr N provided details of family bereavement and a change in circumstances.
- Finally, Mr N forwarded us an email he had received from Lending Stream about the proposed repayment plan.

The Investigator made some further enquiries with Lending Stream about the repayment plan and what it would accept. Lending Stream explained that for any repayment plan to be put in place the balance would need to be cleared within two years. Lending Stream said that it also signposted Mr N to other parties for extra support.

In response, Mr N reiterated that he can only afford to pay £4 per month towards the debt and if Lending Stream can’t accept his repayment proposal, then it ought to write the debt off.

These comments didn’t change the Investigator’s mind. As no agreement could be reached the case has been passed to me 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 this type of lending - including all the relevant rules, guidance and good industry practice - on our website.

I'm sorry to about the impact this complaint has had on Mr N as well as the recent family bereavement and his change in circumstances. That couldn't have been easy for him to disclose – I say no more about it because I want to protect Mr N's privacy. I do hope if he needs help and support that he has been able to find it.

Lending Stream had to assess the lending to check if Mr N could afford to pay back the amount he'd borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances of the applications. Lending Stream's checks could've taken into account a number of different things, such as how much was being lent, the size of the repayments, and Mr N's income and expenditure.

With this in mind, I think in the early stages of a lending relationship, less thorough checks might have been proportionate. But certain factors might suggest Lending Stream should have done more to establish that any lending was sustainable for Mr N. These factors include:

- Mr N having a low 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 amounts to be repaid being especially high (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- Mr N having a large number of loans and/or having these loans over a long period of time (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable);
- Mr N coming back for loans shortly after previous borrowing had been repaid (also suggestive of the borrowing becoming unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Mr N. The Investigator didn't believe this applied to Mr N's complaint. I agree, considering only one loan was approved.

Lending Stream was required to establish whether Mr N could *sustainably* repay the loan – not just whether he technically had enough money to make his repayments. Having enough money to make the repayments could of course be an indicator that Mr N was able to repay his loans sustainably. But it doesn't automatically follow that this is the case.

I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Mr N's complaint.

I fully accept that the checks Lending Stream carried out may not have given it a completely accurate picture of Mr N's finances at the time. However, the test for Lending Stream – as set out above is to carry out a proportionate check based on the circumstances of the application. And this is what I've thought about when looking at Mr N's complaint. And for the reasons I've set out below, I don't think Lending Stream made an incorrect lending decision.

Mr N told Lending Stream his income was £2,000 per month. It isn't clear from the information provided whether Lending Stream took any steps to cross check what it had been told.

What I can see is that Lending Stream didn't make any adjustments to the declared income

provided. So, this means either, the check it may have carried out supported what Mr N had said – or that no check was conducted. But whether a check into Mr N's income was carried out or not wouldn't change the outcome I've reached. As it would've been reasonable to have relied on what Mr N had provided.

Lending Stream then went about checking Mr N's outgoings – Mr N had declared these costs came to £725 per month. Lending Stream says it looked at other information such as available statistics that relate to the general population, and it considered how much people typically spend with their income.

Having carried out this further check, Lending Stream increased Mr N's outgoings and credit commitments by a further £426. For the assessment Lending Stream calculated Mr N's outgoings came to £1,187. This left over £800 per month in disposable income to afford the contracted loan payment of around £253.

I've thought about where it was fair for Lending Stream to have relied on statistical data, but this is allowed under the regulations and there wasn't anything in the information that was provided to have made it think the checks into Mr N's income on expenditure needed to go further.

Lending Stream also carried out a credit search, and it has provided a summary spreadsheet of the results it received from the credit reference agency. I'd also add that there is no regulatory requirement for a credit search to be carried out, let alone one to a specific standard and so Lending Stream was entitled to rely on what it was told.

Lending Stream was told about some adverse payment information. It knew that Mr N had defaulted on two accounts, and it knew the most recent default had been recorded 47 months before the loan was approved.

This would've told Lending Stream that around four years before Mr N had some financial difficulties that led to at least one account defaulting. It's possible the other account defaulted at around the same sort of time – Lending Stream doesn't appear to know but it wouldn't make any difference to the outcome I've reached had it known.

Given there doesn't appear to have been any recent adverse payment data, it would've been reasonable for Lending Stream to have placed less weight on the historic defaults when deciding whether in April 2025 it was likely Mr N was experiencing current financial difficulties. There also, wasn't anything solely from the credit search results that would've prompted further checks or to have declined the lending.

Overall, there also wasn't anything in the information that Lending Stream obtained that would've led it to conclude that it needed to have carried out further checks or to have declined the application. As such, proportionate checks were carried out and I therefore not in a position to uphold Mr N's complaint about the lending decision.

Other considerations

The test for the lending decision was whether Lending Stream had conducted proportionate checks – and I was satisfied that proportionate checks had been carried out and so Lending Stream hadn't made an error when the loan was advanced – as such it wasn't unreasonable for Lending Stream to try and collect the monthly repayments in line with the credit agreement.

However, the situation has changed, and Mr N has explained to us and to Lending Stream his current difficulties and he says that he can only afford to repay £4 per month – this is a result of number of factors including unfortunately, the loss of a job.

So far, Lending Stream has said it would be willing to accept the £4 per month but there would be an expectation that after six months Mr N would need to increase his payments – to around £53 per month for the remaining 18 months. Lending Stream has explained that all payment plans that it agrees need to clear the balance within two years.

I don't think initially, accepting that Mr N pays £4 per month for the first six months is unreasonable. After all with any payment plan there would be an expectation that it's reviewed to ensure that it's still affordable – and these repayment plans aren't also designed to be long term in nature. And of course, it's possible that Mr N's financial position may change within the next six months.

But equally, it's possible that in six months' time – should the plan be put in place that there is and has been no change to Mr N's position – this would mean when Lending Stream wants to increase the monthly repayments Mr N won't be able to afford them. Which would cause further problems for Mr N.

I don't know what Mr N's situation will be in six months time, and so Lending Stream will need to take that on board and offer appropriate help as outlined within the Consumer Credit Sourcebook Chapter 7.3. This talks about accepting payments for a reasonable period of time – which I think Lending Stream is trying to do here.

So far, I don't think Lending Stream so far has treated Mr N unfairly, but of course that may change depending on what happens in the future.

I've also thought carefully about Mr N's request to have the debt written off – but in this case I'm not going to direct Lending Stream do this bearing in mind I think, at the time it made a fair lending decision by carrying out proportionate checks. That doesn't mean Lending Stream can't make the decision to write the debt off – after all it will need to consider all appropriate support for Mr N. I'm just not going to ask it to write the balance off.

I've also considered the emails between Mr N and Lending Stream and I can see that Lending Stream has reacted to the information provided by Mr N – such as details of his difficulties and it suggested that Mr N complete a Debt and Mental Health wellbeing form to see whether it can offer any other help and support. I consider this to be reasonable.

At the moment, I'm satisfied that Lending Stream has treated Mr N fairly with trying to come to a mutually agreeable way forward. But an outstanding balance remains due, and Lending Stream appears to be fully aware of Mr N's circumstances so I would encourage both parties work together to find an amicable way forward. I would remind Lending Stream of its obligation to treat Mr N fairly and with forbearance.

Finally, I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Lending Stream 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 am not upholding Mr N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 16 February 2026.

Robert Walker
Ombudsman