

The complaint

Miss M complains Inclusive Finance Limited trading as Creditspring lent to her when she could not afford to repay the credit.

What happened

Miss M agreed to the first advance of credit on 5 May 2023. There was a second advance in June 2024.

These were both credit facilities with a maximum credit limit of £600 each. The structure of the lending was different to a normal loan or a revolving credit type facility. Part of the terms included a monthly membership fee of £10 up to a maximum of £120.

The scheduled repayments were six lots of £50 each month together with the monthly fee. Creditspring has explained to us:

We do not charge any interest or late payment fees; members will never pay a penny more than what they agreed to when they signed the credit agreement with us regardless of time taken to repay.

In February 2025 Creditspring sold Miss M's outstanding debt to a third party.

After Miss M had complained she received Creditspring's final response letter (FRL) dated June 2025. After it had been referred to the Financial Ombudsman Service, one of our investigators considered that Creditspring had carried out proportionate checks for both credit advances, but using Creditspring's own figures, he thought that Miss M would not have had enough to repay the second credit facility. So, he upheld the complaint in part.

Creditspring didn't respond and Miss M agreed with our investigator's view. So, the unresolved complaint was passed to me to decide.

It's disappointing that Creditspring has not responded to any requests for information or our investigator's view. That means I've not got Creditspring's clarifications on any figures or points raised in our investigator's view. But I have noted that Creditspring has not responded at all for many months, therefore the chances of receiving any further points now are unlikely. So, I have used the information we have on file to assess the complaint.

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 unaffordable or irresponsible lending on our website and I've taken this into account in deciding Miss M's case.

I've decided the second credit advance wasn't provided fairly because:

- I think the checks Creditspring did before providing each of the credit advances were reasonable and proportionate given the credit limit it offered and what it knew about Miss M's financial situation.
- Based on the information Creditspring gathered and what it knew about Miss M's

circumstances, I think it should have realised Miss M was unable to sustainably repay what she was being lent on the second advance approved in June 2024.

- The information Creditspring obtained showed that Miss M's credit commitments had increased a great deal since the first advance and the adverse data had grown.
- Using what Miss M had said she was earning at the time (£2,900 each month), and what Creditspring's own research had discovered she had to pay in expenditure and for her existing credit commitments, then she'd not be able to afford the repayments for this second advance. The debt repayments alone were £1,165 a month using Creditspring's researched figures. This plus Miss M's rent of £800 a month plus normal expenditure leads me to agree with our investigator that this was unaffordable.
- I've received nothing from Creditspring to counter our investigator's conclusions.

This means I don't think Creditspring should have provided the second credit account to Miss M. However, Miss M has had the benefit of the funds she drew down and so I do not accept that it's fair or reasonable to direct that the capital sums be refunded to Miss M.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I'm awarding in this case, as set out below, results in fair compensation for Miss M in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

As Creditspring has sold the debt to a third party, it should arrange to either buy back the debt from the third party or liaise with them to ensure the redress set out here is carried out promptly.

Creditspring should add up the total amount of money Miss M received as a result of having been given the second credit advance. The repayments Miss M made, including any charges or membership fees applied, should be deducted from this amount. These calculations need to include any payments made to the third party since February 2025.

If this results in Miss M having paid more than Creditspring was owed on the principal £600, any overpayments should be refunded along with 8% simple interest (calculated from the date the overpayments were made until the date of settlement). †

If after carrying out the calculation, any capital balance remains outstanding, then Creditspring should arrange an affordable and suitable payment plan with Miss M.

Once Miss M has cleared the outstanding balance, any adverse information recorded in relation to the second credit account should be removed from her credit file.

† HM Revenue & Customs usually requires Creditspring to take off tax from this interest. It must give Miss M a certificate showing how much tax it's taken off if she asks for one.

My final decision

My final decision is that I'm upholding this complaint in part and Creditspring must put things right as I've set out above for the second credit advance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 11 February 2026.

Rachael Williams
Ombudsman