

The complaint

Mr J complains that Western Circle Ltd trading as Cashfloat lent to him when he could not afford to repay it. He says that better checks would have alerted Western Circle to issues surrounding Mr J's spending habits and his general credit picture.

What happened

Briefly, Mr J took two loans both of which were for £500. The first was in December 2024 and was repayable in four monthly instalments. The second was three months after Mr J had paid off the first loan. It was taken in June 2025 and the repayment schedule was over seven months.

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

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.

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have read all of Mr J's submissions.

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 Mr J's case. I've decided the credit was provided fairly because:

- I think the checks Western Circle did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Mr J's financial situation. Mr J's domestic situation for each loan application was that he was living at home with his parents, which would lead to Western Circle not being concerned by the relatively low rent he said he paid at £181 a month and no (or very little) expenditure on utilities. It's unlikely Mr J was at risk of falling into rent arrears or running the risk of not being able to pay priority debts such as utility bills when living at home. And the relevance to Western Circle was it would have been reasonable of it to consider that Mr J was at less risk of not being able to repay the loans.
- Western Circle's checks showed Mr J had a salary (after tax) of £2,400 each month and had no issues, or very few issues, with repayment of his recent or existing credit. I have reviewed the details of the credit searches Western Circle did before lending. There was nothing there to show that further checks were warranted. Mr J had no recent payment issues, or insolvency markings, nor did he have any recently defaulted or delinquent accounts.
- I recognize that Mr J has told us about his gambling. He concedes that it would not have been likely that he informed Western Circle of this when he applied. But it would be disproportionate for Western Circle to have discovered, at this stage of the lending relationship, that Mr J was spending his money on gambling. And I don't say that without empathy as to the seriousness of his circumstances. But my role is to look to

see if the lender applied the regulatory framework appropriately and did proportionate checks.

- Although Mr J says that Western Circle ought to have known more than it did, or ought to have found out more than Mr J had told it, this is not what the regulatory framework expects of a lender. For Western Circle to ask for, and review, bank account transactions in the circumstances presented by Mr J would have been disproportionate.
- Based on the information Western Circle gathered and what it knew about Mr J's circumstances, there was nothing to suggest Mr J was likely to be unable to sustainably repay what he was being lent.
- I don't think Western Circle acted unfairly in any other way.

This means I don't think Western Circle did anything wrong when it provided the two loans to Mr J.

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 Western Circle lent irresponsibly to Mr J or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr J hoped for. But for the reasons above, I'm not asking Western Circle to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr J's complaint about Western Circle.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 3 March 2026.

Rachael Williams
Ombudsman