

## **The complaint**

Ms M complains that Match the Cash Limited trading as Guarantormyloan.tv (MTC) didn't sufficiently check whether she could sustain repayments for a loan she was a guarantor for.

## **What happened**

Around September 2024 MTC approved a loan of £12,500 to a third party, the borrower. With interest and charges applied the total amount repayable was £29,649. The loan was to be repaid over a term of 60 months with repayments of £494.15. Ms M was approved as the guarantor for this loan, meaning should the borrower be unable to maintain the repayments Ms M would be liable for full payment of the loan.

Ms M said she'd been coerced by the borrower in standing as the guarantor for this loan; and that MTC hadn't properly checked whether the loan was affordable for her. She complained to MTC.

MTC said their checks had been reasonable and proportionate, considering Ms M's income and expenditure from data she supplied as well as through credit reference agency (CRA) and open banking checks. They'd sought assurance from Ms M on more than one occasion that she wasn't being pressured into agreeing to be the guarantor. And that she'd been open and engaged with their discussions about the loan and its implications. They said based on their checks they'd made a fair lending decision.

Ms M wasn't happy with MTC's response and referred her complaint to us.

Our investigator said MTC's checks were reasonable and proportionate, and based on these checks they'd made a fair lending decision.

They also considered Ms M's comments about being coerced into agreeing to be a guarantor for the loan. But couldn't see any evidence to suggest that MTC ought to have been aware that Ms M was under any coercive control.

Ms M disagreed and asked for an ombudsman 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.

I thank Ms M for her openness about her situation in bringing this complaint and I was sorry to hear about the difficult time she has been through. I have thought carefully about what she has told us and the information she has given us. I appreciate this will disappoint Ms M, but having done so, I'm not upholding her complaint. I'll explain why.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've used this approach to help me decide Ms M's complaint.

I've considered the relevant rules and guidance on responsible lending set by the regulator, laid out in the consumer credit handbook (CONC). In summary, these say that before MTC agreed to Ms M being added as a guarantor to the loan they needed to complete reasonable and proportionate checks to be satisfied she'd be able to pay the debt in a sustainable way, should the borrower be unable to sustain the repayments. I think there are several overarching questions I need to consider to fairly and reasonably determine Ms M's complaint. These are:

1. Did MTC obtain Ms M's properly informed consent to being a guarantor?
2. Did MTC complete reasonable and proportionate checks to satisfy themselves that Ms M would be able to repay the loan if the borrower didn't?
  - a) If reasonable and proportionate checks were completed was a fair lending decision made?
  - b) If reasonable and proportionate checks weren't carried out, what would reasonable and proportionate checks more likely than not have shown?
3. Did MTC act unfairly or unreasonably in some other way?

In deciding what was proportionate MTC needed to consider things such as (but not limited to): the amount of credit, the size of any regular payments, the cost of credit and the guarantor's circumstances. Any checks should be sufficient in depth and scope having regard to the potential obligations which might fall on the guarantor.

There isn't a set list of checks a lender should do. But CONC says a lender would need to take reasonable steps to estimate the guarantor's income and non-discretionary outgoings. And shouldn't generally solely rely on the guarantor's declared income but seek validation through an independent source such as a CRA or third party. I've considered the checks MTC did and what these showed.

I've been provided with telephone calls that took place between Ms M and MTC during the application process; and the guarantee and indemnity agreement Ms M electronically signed.

I've listened to the call where MTC discuss Ms M's income and expenditure. During this she says the borrower is a family friend, the loan is to consolidate other debts and for a deposit for a car. She said she didn't share her household bills with anyone else. And that she was comfortable the borrower could repay the loan repayments. But understood the implications if they didn't. Ms M also sought assurance as to the impact the loan would have on her own credit file.

During the security call MTC set out the key terms of acting as guarantor for the loan. This included Ms M's responsibilities should the borrower fail to maintain payments, and they asked if she understood her responsibilities and that she may be called on to make the payments should the situation arise. Ms M confirmed during this call that she understood. MTC also asked, on two occasions if Ms M was being pressured into acting as the guarantor. In both instances Ms M confirmed she wasn't.

In addition, Ms M also confirmed during the call that she'd received the guarantee and indemnity agreement, which set out the key responsibilities and obligations on her as guarantor, and that she accepted its terms. And as I've found above, this was electronically signed confirming acceptance. And MTC has shown this was from a different IP address to the borrower.

Ms M told us she was coerced into standing as the guarantor for this loan. She said the borrower had manipulated her into agreeing to the loan to enable the borrower to repay a credit card debt they'd built up in her name.

While I don't doubt Ms M's testimony, for me to ask MTC to do something differently I must find they'd done something wrong. I can't say they have here as I've seen nothing which leads me to conclude MTC was, or ought reasonably to have been, aware at the point of the lending that Ms M was being coerced to act as guarantor. I didn't hear anyone prompting or providing answers for Ms M during the calls. Ms M was open and engaged during her discussions with MTC. And the loan was credited into Ms M's bank account not that of the borrower.

As I've found above, I've listened to the calls, Ms M's consent is obtained and I'm satisfied there was nothing within the calls, or any other actions at the time the loan was approved, which ought reasonably to have led MTC to have questioned whether Ms M was entering into the guarantee and indemnity agreement under her own free will. So, I'm satisfied Ms M was reasonably aware of her role as guarantor before the loan was approved, and that MTC obtained her properly informed consent.

MTC has provided the details of the checks they carried out to assess Ms M's credit worthiness. MTC said they verified Ms M's income and expenditure using open banking, CRA checks as well as data from Ms M which included a call where Ms M's income and expenditure is discussed.

In the call, Ms M declared she'd a salaried monthly income of just over £4,000, an annual income of around £6,500 from renting out another property and two dependents. She said the borrower was a family friend and that she didn't share her bills with anyone else. Ms M's outgoings for her mortgage, council tax, utilities, mobile phone and insurances were discussed with Ms M declaring these outgoings to be around £1,510.

I can see from MTC's open banking checks that MTC assessed Ms M's monthly salaried income for the three months prior to the loan application to be around £4,410, and that she'd rental income of £550 and benefits of £170.20. This meant Ms M's income was around £5130 a month. From MTC's affordability assessment I can see they used the lower income amount declared by Ms M, £4,000, so they assessed her monthly income to be £4,720.20. As this was lower than Ms M's open banking suggested I don't think MTC acted unfairly here.

From their assessment of Ms M's non-discretionary outgoings I can see they used higher amounts than that declared by Ms M, this included her mortgage and day to day living costs. From their credit check they also assessed Ms M's active credit commitments, in total her non-discretionary outgoings amounted to £3,774.32. After factoring in the monthly payments for the loan Ms M should have had £451.73 remaining in disposable income to cover discretionary and unexpected costs.

MTC's checks didn't show any signs of financial vulnerability such as missed payments, county court judgments or defaults. While I can see Ms M was using her overdraft at times, she was maintaining her non-discretionary outgoings within agreed limits. Based on this MTC decided that Ms M would have been able to sustain the payments should she be expected to do so.

So, as MTC's checks verified the information Ms M provided, I'm satisfied their checks were reasonable and proportionate, as they obtained a good understanding of Ms M's income and expenditure. And I don't think that there was anything immediately obvious in the information that MTC had, including Ms M's existing credit, which meant they shouldn't rely on it. So, I

don't think MTC needed to have asked Ms M to provide further evidence in support of her income and expenditure before they accepted her as a guarantor for the loan.

MTC's affordability calculations show Ms M had sufficient disposable income and so should have been able to meet the payments towards this loan, should the situation arise, without causing financial harm or having to borrow further to meet the payments. So, I haven't seen anything within the information Ms M declared, or the checks MTC completed, which leads me to conclude the loan payments would be unaffordable for her. And so I'm satisfied MTC made a fair decision in concluding Ms M could be a guarantor for this loan.

I've also considered whether MTC acted unfairly or unreasonably in some other way given what Ms M has complained about, including whether their relationship with her might have been viewed as unfair by a court under Section 140A Consumer Credit Act 1974. But for the reasons I've already given, I don't think MTC lent irresponsibly to Ms M or otherwise treated her 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.

Although I'm not upholding this complaint, I'd like to remind MTC of their obligation to exercise forbearance and due consideration for Ms M's situation if they intend to collect any outstanding balance remaining on the account, and it's the case that Ms M is experiencing financial difficulty.

### **My final decision**

I don't uphold this complaint.

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

Anne Scarr  
**Ombudsman**