

The complaint

Miss H has complained that My Finance Club Limited trading as Ondal.co.uk (Ondal) unfairly provided her with a loan.

What happened

In March 2023, Miss H entered into a loan agreement with Ondal as shown below:

Date	Amount of credit	Term	Total repayable
March 2023	£200	38 days	£260.80

In June 2025, Miss H complained to Ondal. In the complaint, Miss H said she didn't think Ondal had lent responsibly to her. She's said had Ondal completed the appropriate checks it would have found the lending was unaffordable and that she had other debts outstanding.

Ondal looked into Miss H's complaint and issued a final response letter explaining it believed it had acted fairly in providing the credit. Ondal provided a summary of the checks it had conducted and felt the agreement was affordable for Miss H. It said it had confirmed the agreement was affordable by gathering information from Miss H about her income and expenditure and confirming this through the credit reference agencies (CRA) and her bank.

Miss H didn't accept Ondal's response, so she referred her complaint to our service. One of our investigators looked into it, but based on the evidence available, our investigator said she couldn't reasonably conclude that the lending was irresponsible, or the relationship was unfair.

Miss H didn't accept what our investigator said. So, as there was no agreement, the complaint has been passed to me for a 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 think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did Ondal carry out reasonable and proportionate checks to satisfy itself that Miss H was able to sustainably repay the credit?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Ondal make a fair lending decision?
- Did Ondal act unfairly or unreasonably towards Miss H in some other way?

Ondal had to carry out reasonable and proportionate checks to satisfy itself that Miss H would be able to repay the credit sustainably. It's not just about Ondal assessing the

likelihood of Miss H being able to repay the credit, but it had to consider the impact of the repayments on her.

There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the repayment and the cost of the credit.

Did Ondal carry out reasonable and proportionate checks to satisfy itself that Miss H was able to sustainably repay the credit?

Before lending to Miss H, Ondal asked her questions to get an understanding of her financial circumstances. It's said she declared an income of £1,500 a month, with credit repayments of £200 a month, but didn't declare any living costs and that she was living with parents. It verified Miss H's income with her bank and found her declaration to be accurate. Ondal also used the CRA's to understand Miss H's circumstances. There was no mortgage on Miss H's credit file, and the electoral role information seemed to support what she had said about her living arrangements. So, it accepted the information she gave about her living costs in her application. Ondal also considered repayments to her existing unsecured debt. Miss H declared that she had to pay £200 a month to maintain this and looking at the repayments that would have been required to Miss H's other active creditors I think this is broadly accurate. If you factor in repayments to bring all accounts up to date, this sum would have been higher but not significantly so. Given this I don't think it was unreasonable for Ondal to conclude that Miss H had enough disposable income to afford the loan, which I agree was the case.

Ondal has also explained that it carried out a full credit search to get an understanding of Miss H's situation before it decided to lend. It said this revealed she had no recent defaults, debt management plans, County Court Judgements, bankruptcies, or IVAs. The data showed that Miss H was utilising her credit but that overall, she was managing payments to this well. She was over her limit by a few pounds on two of her accounts but given her level of disposable income and payment history, I don't think this meant Ondal needed to complete further checks or refuse lending.

I acknowledge Miss H didn't have a perfect credit file but given the nature and value of the lending, alongside Miss H's disposable income, I don't think this would have given Ondal any major cause for concern. Looking at the information available to Ondal there was no evidence that Miss H was struggling financially. I appreciate that Miss H mentioned other payday lending taken before this lending decision. However, I must take into consideration the information available to Ondal at the time and I can't see that any information about recent payday lending was shared with it by the CRAs or Miss H or that she had borrowed with Ondal before.

I understand Miss H has referred to gambling transactions and repeat overdraft use that could have been seen from her bank statements, and I'm sorry to hear of the difficulties she's had. However, having reviewed the checks Ondal completed, I'm satisfied it took reasonable steps to assess Miss H's income and expenditure. And these checks didn't reveal any signs of financial difficulties that persuade me Ondal needed to do more such as review bank statements.

So, in summary, I've carefully considered the information that was available to Ondal at the time it made its lending decision. But I haven't seen anything that persuades me it ought to have done further checks before lending to Miss H. And I'm not satisfied that it should have known she wouldn't be able to sustainably repay the loan from the information available to it.

On the evidence available, I'm persuaded the checks Ondal completed were reasonable and proportionate to the credit it went on to approve. And I'm satisfied the decision to approve a loan of £200 was reasonable based on the information Ondal gathered about Miss H's circumstances. I'm very sorry to disappoint Miss H but overall, I'm not persuaded that Ondal created unfairness in its relationship with her as a result of its decision to lend.

Did Ondal act unfairly or unreasonably towards Miss H in some other way?

I can see that Miss H fell into arrears and Ondal contacted her about this, offering support and explaining what would happen if the loan wasn't repaid. When no further payments were made it defaulted the account. In doing this it followed the process that I would expect and so I can't say Miss H was treated unfairly here.

This means I don't think Ondal did anything wrong when it provided the loan to Miss H.

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 Ondal lent irresponsibly to Miss H 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.

I know this isn't the outcome Miss H hoped for. But for the reasons above, I'm not asking Ondal to do anything to put things right.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 12 January 2026.

Charlotte Roberts
Ombudsman