

The complaint

Mr Z says Fair for You Enterprise CIC lent to him irresponsibly.

What happened

Fair for You provided Mr Z with three point of sale loans in total. It first provided Mr Z with a loan for £439.99, in July 2021, to purchase a washing machine. This loan was repaid in 12 monthly instalments of £46.20.

In August 2023, Mr Z was provided with a second loan for £529.99 to fund the purchase of a tumble dryer. This loan had an 18-month term with monthly repayments of £42.80.

In August 2024, Mr Z was provided with a third loan for £359.99 to fund the purchase of a mobile phone. This loan was due to be repaid in 12 monthly instalments of £42.80.

After Mr Z complained to Fair for You it acknowledged that, whilst it maintained all its lending decisions were responsible, having loans 2 and 3 running concurrently may have placed additional pressure on Mr Z's finances — particularly in the context of rising living costs — which may not have been fully visible through credit data alone. Therefore, it removed all interest and charges on loan 3; removed the data relating to the default on this account from his credit file; suspended any further interest charges on loan 2 and offered to discuss an affordable repayment plan for both loans 2 and 3.

Unhappy with this resolution Mr Z came to this service saying all loans were unaffordable from the outset. He also said Fair for You had tried to make unauthorised payment withdrawals from his bank account and continued to send payments demands after he had complained. It did not issue a final response letter by the date it had committed to. And it added excessive and unfair charges to his account.

Our investigator did not uphold Mr Z's complaint. Unhappy with this assessment Mr Z asked for an ombudsman's review. He said, in summary, the affordability for him was not assessed realistically and the loans harmed his financial position; there was an over-reliance on automated checks - his credit file showed 19 active accounts and payment difficulties which should have raised concerns; and loans 2 and 3 overlapped and a mobile phone is not an essential household item.

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 explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mr Z's complaint.

Having carefully considered everything, I am not upholding Mr Z's complaint. I'll explain why.

Fair for You needed to make sure that it didn't lend irresponsibly. In practice, what this

means is Fair for You needed to carry out proportionate checks to be able to understand whether Mr Z could afford to repay these loans before they were provided to him.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we'd expect a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

I have reviewed the checks Fair for You completed before lending to Mr Z. Each application underwent a creditworthiness and affordability assessment that included Mr Z's declared income and essential expenditure, as well as data from one of the credit reference agencies so the lender understood Mr Z's existing credit commitments and repayment history. It verified Mr Z's declared income using external data.

For each loan Fair for You concluded from the information it gathered that Mr Z had the disposable income needed to take on the borrowing.

I think these checks were proportionate given the loan values and monthly repayments relative to Mr Z's income. I have also considered that the loans had low interest rates, and that loans 1 and 2 were for essential household items.

This means I need to decide if Fair for You made fair lending decisions based on the information it gathered.

Loans 1 and 2

The monthly payment Mr Z had to make on both these loans was low. The lender's income and expenditure assessment appear to show that once Mr Z's committed expenditure was deducted from his income, he had sufficient funds left over to be able to make the payments to these loans.

Mr Z did have other borrowing, but his active accounts were generally well-managed and there was no significant adverse data on his file in the 12 months prior to either application.

Mr Z was using the funds from these loans to purchase what he considered to be essential items. And these loans enabled him to purchase these items at interest rates much lower than the interest rates he appeared to be paying on other debts.

As this is the case, I don't think that Fair for You did anything wrong when deciding to lend to Mr Z - it carried out proportionate checks and reasonably relied on what it found out which suggested the repayments were affordable.

I accept that Mr Z's actual circumstances may not have been fully reflected either in the information he provided, or the information Fair for You obtained. But the key here is that it's only fair and reasonable for me to uphold a complaint in circumstances where a lender did something wrong. Given the circumstances here I'm satisfied that Fair for You was reasonably entitled to lend to Mr Z.

Loan 3

As Fair for You has already refunded all interest and charges and removed the adverse data on Mr Z's file in relation to this loan I need not comment on this lending decision. As Mr Z had the benefit of the loan and was able to purchase the mobile phone it is reasonable he repay the capital.

Did Fair for You act unfairly towards Mr Z in some other way?

I don't find that it did. Mr Z referenced excessive and unfair charges. But I have found no evidence of any charges being applied that were not in line with the terms of his agreements. And the interest rate was low, the amount charged appears to be fair when compared to similar lenders, offering similar products, at the time.

Mr Z raised concerns about unauthorised payment attempts. Fair for You has sent in its records that show all collection attempts were made using an active continuous payment authority (CPA), in line with the loan agreements. No more than one collection attempt was made per day, and no payments were taken after the CPA was blocked by the Mr Z's bank. No CPA cancellation was received directly from the Mr Z. So I do not find the lender at fault in this regard. Mr Z had a contractual obligation to make his payments.

Mr Z was unhappy that Fair for You did not send a final response letter. I can see a first provisional response was issued on 4 April 2025. This was then updated on 18 May 2025, after Mr Z had sent in new information. Fair for You has explained it planned to ensure that these concerns were fully explored and that Mr Z had the chance to engage with it before it reached a final view. However, Mr Z did not get back in touch so it drafted a final response letter. But the complaint was then brought to this service before this was issued. This appears to be a reasonable explanation as to the sequence of events and lack of final response letter.

Finally, I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Fair for You lent irresponsibly to Mr Z or otherwise treated her 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

I am not upholding Mr Z's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 29 December 2025.

Rebecca Connelley
Ombudsman