

The complaint

Miss V complains Savvy Loan Products Limited trading as Tick Tock Loans (TTL) irresponsibly lent to her.

What happened

TTL provided Miss V with two loans as follows:

Loan Number	Date of Sale	Date Repaid	Loan Amount	Regular Monthly Repayment	Loan term (days)
1	15/07/2022	30/09/2022	£400	£182.07	77
2	03/12/2022	25/04/2023	£500	£179.54	146

In June 2025, Miss V complained to TTL about its decision to lend. In doing so, Miss V said, amongst other things, that the monthly repayments for the lending in question didn't leave her with enough money so she had to keep borrowing to get by. Miss V went on to say that her credit report would have shown all her other debts and financial problems, including late payments, defaults, CCJs and debt management plans which ought to have given TTL cause to refuse to lend.

In July 2025, TTL issued its final response letter in which it did not uphold the complaint. In doing so, it said the checks it carried out suggested the loans would have been affordable for Miss V.

It did, however, make an offer without prejudice as follows:

1. *Extend a payment of £25 to help [Miss V] in [her] time of need.*
2. *Completely remove [the] loans from Credit Reference Agency files.*

Unhappy with this, Miss V referred her complaint to our service.

One of our investigators reviewed Miss V's complaint. But they didn't think TTL had treated Miss V unfairly, and so they didn't recommend that the complaint be upheld. In doing so, the investigator said that TTL had completed reasonable and proportionate checks prior to agreeing to lend and the information it gathered as a result of those checks wouldn't have given it cause to refuse to lend.

Miss V didn't agree with the investigator's findings and so the complaint has been passed to me to review afresh.

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.

The Financial Ombudsman Service has set out its general approach to complaints about irresponsible and unaffordable lending on its website. And, having taken this into account along with everything else I need to consider, I don't think it would be fair or reasonable to

uphold this complaint. I recognise this will be disappointing for Miss V. I hope my explanation helps her to understand why I've come to this conclusion.

TTL needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Miss V could repay the loan repayments when they fell due and without the need to borrow further.

These checks weren't prescriptive, but could take into account a number of different things such as how much was being lent, the repayment amounts and the consumer's income and expenditure.

So, in keeping with the information on the Financial Ombudsman Service's website, I think there are a number of overarching questions I need to consider when deciding a fair and reasonable outcome given the circumstances of this complaint:

1. Did TTL carry out reasonable and proportionate checks to satisfy itself that Miss V was likely to have been able to repay the borrowing in a sustainable way?
 - i. If TTL carried out such checks, did it lend to Miss V responsibly using the information it had?

Or
 - ii. If TTL didn't carry out such checks, would appropriate checks have demonstrated that Miss V was unlikely to have been able to repay the borrowing in a sustainable way?
2. If relevant, did Miss V lose out as a result of TTL's decision to lend to her?
3. Did TTL act unfairly or unreasonably in some other way?

There are many factors that could be relevant when determining how detailed proportionate checks should have been. And while much will depend on the circumstances in question, the more obvious factors include – though aren't necessarily limited to:

- The type of credit Miss V was applying for along with the size, length and cost of the borrowing; and
- Miss V's financial circumstances – which included her financial history and outlook along with her situation as it was, including signs of vulnerability and/or financial difficulty.

And generally speaking, I think reasonable and proportionate checks ought to have been more thorough:

- The lower an applicant's income because it could be more difficult to make the repayments as a result;
- The higher the amount repayable because it could be more difficult to meet a higher repayment, especially from a lower level of income; and
- The longer the loan term, because the total cost of the credit was likely to have been greater given the longer time over which repayments have to be made.

As a result, the circumstances in which it was reasonable to conclude that a less detailed affordability assessment was proportionate strike me as being more likely to be limited to applicants whose financial situation was stable and whose borrowing was relatively insignificant and short-lived – especially in the early stages of a lending relationship.

I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Miss V's complaint.

Loan 1

Did TTL carry out reasonable and proportionate checks?

Prior to agreeing to lend, Miss V was asked to provide details of her net monthly income. Miss V declared a monthly income of £3,000 and TTL says there was a "high level match" between the figure Miss V declared and the estimated income given by a credit reference agency. It therefore considered Miss V's monthly income to be at least £3,000 per month. For a first loan, I think that was a fair course of action for TTL to have taken.

Miss V was also asked to provide details about her housing status and monthly expenditure. Miss V declared she was a 'tenant' with monthly rental payments of £530 and she declared she was spending £189 per month towards her existing credit commitments. Alongside this, Miss V declared other monthly outgoings totalling £490 which included utilities and regular bills, food and transport costs.

TTL used national averages, as well as information from Miss V's credit file, to make an upward adjustment to her declared monthly outgoings towards rent (£583.20) and existing credit commitments (£330). It also made an upward adjustment to the remaining monthly outgoings (£573). So, for its affordability assessment, TTL used total monthly outgoings of around £1,486.20. It also applied a 'safety buffer' of £138.74.

Deducting all of this (a total of £1,624.94) from what TTL understood to be Miss V's monthly income, she was left with monthly disposable income of around £1,375 to make her regular loan repayments of £182.07. So, based on this information the loan looked affordable.

As I've said, TTL also carried out a credit search and it has provided the results it received from the credit reference agency. It is worth saying here that although TTL carried out a credit search there wasn't a regulatory requirement to do one, let alone one to a specific standard. But what TTL couldn't do is carry out a credit search and then not react to the information it received – if necessary.

On the face of it, it is difficult to reconcile such a significant amount of monthly disposable income and a loan application for £400 – especially when it came at a high cost. However, I acknowledge that people make all sorts of decisions for all sorts of reasons. And it isn't for me to impose my own view on the merits of applying for a loan like the one in question only to then conclude that TTL should have carried out more detailed checks – or otherwise refused to lend - on that basis alone.

It wasn't a particularly large loan, and the monthly repayments were not substantial in relation to Miss V's declared (and, at least some degree, verified) income. And it was repayable over a reasonably short period of time. Further, this appears to have been Miss V's first loan with TTL. As such, I don't think there was any established pattern in her borrowing needs, at least from TTL, at that stage. Therefore, I think TTL proceeded with a proportionate amount of information.

However, once TTL had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Miss V could afford to meet the loan repayments in a sustainable way over the term of the loan.

Did TTL lend to Miss V responsibly using the information it had?

As I've said, using the information TTL gathered about Miss V's financial circumstances, it looked like she had £1,375.06 disposable income per month before the lending in question was taken into account. So, TTL was satisfied that the loan repayments for this loan should've been affordable for Miss V on a simple pounds and pence basis.

I've turned to look at the results from the credit check TTL carried out. The results suggested there was no indication of any insolvencies or any other public records – such as County Court Judgments – about which TTL had been informed.

The report revealed that Miss V's total unsecured indebtedness was £5,466 (of which £2,134 was revolving credit) spread across 14 active accounts. I think TTL had cause to conclude Miss V was not overindebted relative to what it understood to be her income.

I note the report did indicate Miss V had opened three accounts in the three months prior to the lending in question, which *may* be an indicator of an over-reliance on credit to get by. But Miss V appeared to be managing these new accounts well with no evidence of adverse information. I also note Miss V did appear to be using a large proportion of her available revolving credit but, again, all accounts appear to be managed within agreed limits and there was no recent adverse information reporting in relation to these accounts.

There were four defaults present on the report. The most recent was applied around 18 months prior to the lending in question. I think TTL would have reasonable grounds to conclude that these defaults were historic and were not representative of Miss V's current financial situation. In other words, I don't think this would have given TTL cause for concern.

In any event, it isn't unusual for lenders in the sector TTL operates in to lend to a customer who has previously defaulted on credit. And, more importantly, there isn't a prohibition on lending to a customer that has previously defaulted on credit.

It also appears there was a delinquent account – with a delinquency balance of £720 - present on the report. This was applied around one year prior to the lending in question. But it looks like Miss V had been making required payments to the account and had been for some time. I say this noting that the 'payment status' had been reported as 'OK' for the past eight months. So I don't think this, in itself, reflected any inherent ongoing difficulty.

But, putting that to one side, what's more important is that even allowing for payments to the delinquent account and reasonable repayments to all of Miss V's existing credit commitments, this loan appears to have been affordable for her.

So, looking at things in the round, I don't think the results of the credit check TTL carried out should have prompted further checks or prevented it from lending to Miss V.

And bearing in mind it wasn't an unusually large loan and it was repayable over a period of less than three months, I don't think TTL had any good reason to think Miss V's financial situation was likely to change significantly during the loan term such that she would experience difficulty making the monthly repayments as they fell due.

I understand Miss V says that her financial situation was worse than the information TTL gathered at the time suggested. And I accept a more forensic analysis of her financial

situation – such as a granular review of her bank statements from the time – may have revealed this to be the case. However, for the reasons I've explained, I think TTL carried out proportionate checks even though it looks like some of the information it was provided with didn't tell the whole story. It relied, reasonably in my view, on the information it did have which wouldn't have alerted it to Miss V's problems.

And given the size of Miss V's monthly repayments, I don't think it was unreasonable of TTL to grant Loan 1 with all of that being the case.

Loan 2

Did TTL carry out reasonable and proportionate checks?

Prior to granting Loan 2, TTL again asked Miss V to provide information about her income. Miss V declared her monthly income had decreased since Loan 1 to £2,500. TTL asked Miss V to provide a copy of her most recent payslip in order to verify this figure. Having received this information TTL, for the purposes of its lending decision, reduced Miss V's monthly income to £2,115.

As with Loan 1, Miss V was asked to provide details about her housing status and monthly expenditure. Miss V once again declared she was a 'tenant' and she declared monthly outgoings (across the same categories as Loan 1) totalling £1,230. TTL once again used national averages as well as information from Miss V's credit file and, having done so, made a slight upward adjustment to her monthly expenditure. For its affordability assessment it used monthly outgoings of around £1,305. It also applied a 'safety buffer' of £147.70.

Deducting all of this from what TTL understood to be Miss V's monthly income, she was left with monthly disposable income of around £660 to make her loan repayments of £179.54. So, based on this information the loan looked affordable.

TTL also carried out a credit search, and it has provided the results it received from the credit reference agency.

I recognise Miss V was returning for further borrowing with TTL just a few months after settling Loan 1 which *may* be an indicator Miss V was beginning to rely on credit to get by. However, this was still fairly early on in the lending relationship and the level of borrowing had not increased significantly from Loan 1 to Loan 2. Further, the amount Miss V was borrowing was still, in my view, relatively modest and it was repayable over a reasonably short period of time. So, I don't think the fact Miss V was returning for further borrowing was, in and of itself, cause for TTL to make more searching enquiries into Miss V's financial situation.

With all of that being the case, I think the checks TTL carried out – which included income verification (via a payslip) and a credit check - were proportionate given the value of the loan and the monthly repayments relative to Miss V's income.

However, as with Loan 1, once TTL had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Miss V could afford to meet the loan repayments in a sustainable way over the term of the loan.

Did TTL lend to Miss V responsibly using the information it had?

As I've said, using the information TTL gathered about Miss V's financial circumstances, it looked like she had sufficient disposable income per month to affordably and sustainably

repay the borrowing in question. Therefore, TTL was satisfied that the loan repayments for this loan should've been affordable for Miss V on a simple pounds and pence basis.

The credit check TTL carried out once again suggested there was no indication of any insolvencies or any other public records – such as County Court Judgments.

It appears Miss V's overall unsecured indebtedness had remained broadly stable since Loan 1 at £5,445. This was spread across 16 active accounts. I don't think Miss V's overall level of indebtedness – particularly noting that it had not increased since Loan 1 - would give TTL cause to conclude Miss V was overindebted or otherwise having problems managing her money.

The report revealed Miss V had a total of five defaulted accounts – this being an increase on from in the number of defaulted accounts present on the credit report obtained during the application for Loan 1. The additional default was in related to an account described as an 'Advance Against Income' which had defaulted in May 2020. I'm unclear why this wouldn't have been present on the credit report generated for Loan 1 but I need not consider that further. I say this because TTL would have seen the most recent default present on the report was applied over two years prior to Loan 2. So, as I said with regards to Loan 1, I think TTL would have reasonable grounds to conclude that these defaults were historic and not representative of her current financial situation.

The report did indicate Miss V had opened three accounts in the six months prior to the lending in question. However, Miss V appeared to be managing her accounts well with no active arrears or missed payments.

As I said with regards to Loan 1, I accept that Miss V's financial situation may have been worse than the information TTL gathered at the time suggested. But I don't think the output from the checks it did carry out – which were reasonable and proportionate in my view – would have alerted it to the problems Miss V was experiencing.

In short, I think TTL carried out reasonable and proportionate checks prior to agreeing to lend and I don't think the output from those checks should have prompted further checks or prevented it from lending to Miss V. Therefore, I don't think TTL made an unfair lending decision when it granted Loan 2.

Did TTL act unfairly or unreasonably in some other way?

I've also considered whether TTL acted unfairly or unreasonably in some other way given what Miss V has complained about, including whether their relationship with her might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think TTL lent irresponsibly to Miss V or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

Finally, for completeness, I note in response to Miss V's complaint TTL made an offer to resolve matters in order to prevent the complaint from coming to our service. I note that the final response letter states it will "*immediately retract any offer made*" in the event Miss V did not accept it. Therefore, I assume this offer is no longer available to Miss V, although Miss V may wish to contact TTL directly to confirm this is the case.

Whilst I recognise this will be disappointing for Miss V, I do not think TTL has acted unfairly here and, therefore, I do not uphold this complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 7 January 2026.

Ross Phillips
Ombudsman