

## **The complaint**

Mr H complains Savvy Loan Products Limited trading as Tick Tock Loans (“Tick Tock”) gave him a loan without carrying out sufficient affordability checks. Had better checks been made Tick Tock would’ve seen he was in a repeat lending cycle.

## **What happened**

Mr H was granted one loan of £300 on 24 August 2024. Mr H was due to make six monthly instalments of £100 each month. Mr H repaid the loan in February 2025.

Following Mr H’s complaint, Tick Tock concluded it had made a reasonable decision to lend and so it didn’t uphold it. However, it made an offer to pay Mr H £25 and then remove the loan from his credit file.

Mr H referred his complaint to the Financial Ombudsman where it was considered by an Investigator who didn’t uphold the complaint because they thought Tick Tock had carried out proportionate checks which showed the loan to be affordable. Mr H didn’t agree with the outcome saying.

- This was his sixth payday loan in a 14-week period, and he provided an overview of his borrowing from other lenders.
- His use of payday loans ought to have led Tick Tock to conduct further checks.
- Had Tick Tock reviewed his bank statements it would’ve seen significant gambling transaction as well as payments to other payday lenders.

These points didn’t change the Investigator’s mind and as no agreement could be reached, the case 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.

We’ve set out our general approach to complaints about this type of lending - including all the relevant rules, guidance and good industry practice - on our website.

Tick Tock had to assess the lending to check if Mr H could afford to pay back the amount he’d borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. Tick Tock’s checks could have taken into account a number of different things, such as how much was being lent, the size of the repayments, and Mr H’s income and expenditure.

With this in mind, I think in the early stages of a lending relationship, less thorough checks might have been proportionate. But certain factors might suggest Tick Tock should have done more to establish that any lending was sustainable for Mr H. These factors include:

- Mr H having a low income (reflecting that it could be more difficult to make any

- loan repayments to a given loan amount from a lower level of income);
- The amounts to be repaid being especially high (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- Mr H having a large number of loans and/or having these loans over a long period of time (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable);
- Mr H coming back for loans shortly after previous borrowing had been repaid (also suggestive of the borrowing becoming unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Mr H. The Investigator didn't consider it reached the point in the lending relationship where this applied and I agree, as there was only one loan.

Tick Tock was required to establish whether Mr H could *sustainably* repay the loan – not just whether he technically had enough money to make his repayments. Having enough money to make the repayments could of course be an indicator that Mr H was able to repay his loan sustainably. But it doesn't automatically follow that this is the case.

I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Mr H's complaint.

Mr H declared a monthly income of £2,033. Tick Tock didn't just rely on what it was told and cross checked this information obtained from the credit reference agency. Tick Tock was told there was a high degree of accuracy, so it was reasonable for it to have used this income figure for its assessment bearing in mind this was a first loan.

Mr H also declared monthly outgoings of £867 which included credit commitments and day to day living costs. Tick Tock used national averages as well as information from Mr H's credit file and it increased his living costs. For its affordability assessment it used a monthly outgoings figure of around £1,030 and to this it added a further buffer of around £100.

For a first loan the checks into Mr H's outgoings were reasonable, proportionate and showed Tick Tock that Mr H had sufficient amount of disposable income.

Before the loan was approved, Tick Tock also carried out a credit search and it has provided the Financial Ombudsman with a copy of the results it received from the credit reference agency. I want to add that, although Tick Tock carried out credit searches, there wasn't a regulatory requirement to do one, let alone one to a specific standard. But what Tick Tock couldn't do, is carry out a credit search and then not react to the information it received.

Tick Tock was entitled to rely on the information it was given by the credit reference agency. This does mean the information Tick Tock may receive could be different to what Mr H can see in his full credit report. I've therefore looked at the results Tick Tock received from the credit reference agency to see whether there was anything contained within it, that would've either prompted it to have carried out further checks or possibly have declined Mr H's application.

Tick Tock was told that Mr H had around £3,200 of existing debt but didn't have any defaulted accounts, missed payments, any types of insolvency or County Court Judgements. The results also showed that Mr H had a number of active accounts including two loans – 1 opened on 4 May 2024 and one on 9 June 2024 – these were costing him £156 per month. But there wasn't anything else from the results that would've led Tick Tock to conduct further checks or

Mr H had provided a document which sets out all of the payday lending he had taken from May 2024 and I can see, from his document that he took a number of loans in July and August 2024. However, none of those loans appeared in the credit search results given to Tick Tock.

There are a number of reasons why information may not have appeared in the search results. It may have been those lenders listed by Mr H used a different credit reference agency or the other loans hadn't yet filtered through to the credit search results because it can take up to 8 weeks for new loans to be recorded with the credit reference agencies.

But whatever the reason, I'm satisfied Tick Tock wasn't aware of Mr H's other payday loan use and so couldn't factor those into its affordability assessment. As such there was no reason for Tick Tock to have verified Mr H's circumstances any further such as through bank statements. As I don't think it needed to do further checks, it couldn't and wouldn't have known about Mr H's gambling transactions.

Taking account of the lending relationship, I think it was reasonable for Tick Tock to have relied on the information Mr H provided to it and the results of its own checks. There also wasn't anything to suggest that Mr H was having either current financial difficulties or to indicate the loan repayment would be unsustainable for him.

Although Tick Tock didn't uphold the complaint it did make an offer in the final response letter, Mr H may wish to contact Tick Tock so see if it is still available. I appreciate this outcome is going to be disappointing for Mr H considering what he's told us about his financial situation at the time.

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 Tick Tock lent irresponsibly to Mr H or otherwise treated him 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**

For the reasons set out above I am not upholding Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 February 2026.

Robert Walker  
**Ombudsman**