

## The complaint

Mr G complains MFC irresponsibly lent to him.

## What happened

Mr G took 11 loans with MFC over a period of a little over three years as follows:

Loan No.	Loan amount	Agreement date	Repayment date	Scheduled term (days)	Actual term (days)	Repayment
1	£400	09/04/2021	16/04/2021	38	7	£422.40
2	£150	15/06/2021	30/06/2021	38	14	£168
3	£250	30/06/2021	03/07/2021	28	3	£256
4	£100	06/07/2021	14/08/2021	28	39	£131.20
Gap in lending (six months)						
5	£150	13/02/2022	06/03/2022	20	20	£175.20
Gap in lending (eight months)						
6	£100	01/11/2022	30/11/2022	30	29	£123.20
7	£200	30/11/2022	27/12/2022	28	27	£243.20
8	£100	14/03/2023	31/03/2023	20	17	£113.60
9	£150	13/06/2023	16/06/2023	30	3	£153.60
Gap in lending (ten months)						
10	£200	17/04/2024	31/05/2024	31	43	£270.40
11	£200	13/06/2024	30/08/2024	63	78	£324.80

In October 2024, Mr G – via a professional representative (PR) - complained to MFC about its decision to lend. Both parties are familiar with its reasons for doing so but, in short, it said that MFC *failed to undertake a reasonable assessment of [Mr G's] creditworthiness prior to entering into the agreements.*

In December 2024, MFC issued its final response in which it did not uphold the complaint. In short, MFC said that it had carried out sufficient checks prior to agreeing to lend and, having done so, it was satisfied the lending was affordable for Mr G.

Unhappy with this, PR on behalf of Mr G referred his complaint to our service.

One of our investigators reviewed Mr G's complaint. The investigator issued their opinion in May 2025 in which they did not uphold the complaint. In doing so, the investigator said that – with regards to Loans 1-4 - MFC did not complete reasonable and proportionate checks prior to agreeing to lend but, if it had done so, it would still have been reasonable to lend. And with regards to Loan 5-11, the investigator was satisfied MFC carried out reasonable and proportionate checks prior to agreed to lend, and the information it gathered as a result of those checks wouldn't have given it cause to refuse to lend.

PR didn't agree with the investigator's findings and, as an agreement couldn't be reached, the complaint was passed to me to review afresh.

On 30 October 2025, I issued a provisional decision in which I upheld the complaint in part. Here is what I had to say:

*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 think this complaint should be upheld in part. I'll explain why.*

*Mr G was provided with high-interest loans, intended for short-term use. So MFC needed to make sure that it didn't provide it irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr G could make 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 MFC carry out reasonable and proportionate checks to satisfy itself that Mr G was likely to have been able to repay the borrowing in a sustainable way?
  - i. If MFC carried out such checks, did it lend to Mr G responsibly using the information it had?*

*Or*

  - ii. If MFC didn't carry out such checks, would appropriate checks have demonstrated that Mr G was unlikely to have been able to repay the borrowing in a sustainable way?**
- 2. If relevant, did Mr G lose out as a result of MFC's decision to lend to him?*
- 3. Did MFC 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 Mr G was applying for along with the size, length and cost of the borrowing; and*
- Mr G's financial circumstances – which included his financial history and outlook along with his 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 Mr G's complaint.

My provisional decision

#### Loan 1-4

Did MFC carry out reasonable and proportionate checks?

MFC has told us that, prior to agreeing to lend, it asked Mr G to provide information about his marital and residential status, as well as his monthly income and expenditure.

For all four loans Mr G declared he was single and 'living with parents or partner' and his net monthly income was £1,400.

It does not appear MFC took steps to verify this figure with regards to Loan 1-3. However, prior to granting Loan 4, MFC asked Mr G to provide his most recent payslip. This showed Mr G earned around £1,380 the prior month. Therefore, MFC was satisfied the figure Mr G had declared was broadly accurate.

And, with regards to his monthly expenditure, Mr G declared similar figures for each loan as follows:

<b>Expense Category</b>	<b>Loan 1</b>	<b>Loan 2</b>	<b>Loan 3</b>	<b>Loan 4</b>
Housing	£100	£100	£100	£100
Utilities	£50	£40	£40	£40
Groceries	£50	£50	£50	£50
Transport	£30	£30	£30	£30
Credit commitments	£250	£150	£150	£150
Other	£100	£100	£100	£100
<b>Total</b>	<b>£560</b>	<b>£470</b>	<b>£470</b>	<b>£470</b>

MFC also carried out credit checks prior to granting Loans 1-4, which provided it with information about Mr G's credit history and what he was paying to service his existing credit commitments. MFC has provided our service with a copy of the results it received.

Deducting all of this expenditure from Mr G's income, it looked like he had £840 (for Loan 1) and £930 (for Loans 2-4) disposable income per month before the lending in question was

taken into account. Once the monthly repayment for the lending in question is also deducted from these figure, Mr G was left with £428.21 (for Loan 1), £775.58 (for Loan 2), £624 (for Loan 3) and £807.60 (for loan 4) each month.

*On the face of it, it is difficult to reconcile such a significant amount of monthly disposable income – and loan applications for between £100 and £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 MFC should have carried out more detailed checks – or otherwise refused to lend - on that basis alone.*

*These appear to have been Mr G's first loans with MFC. As such, I don't think there was any established pattern in his borrowing needs, at least from MFC, at that stage. With this in mind, and noting they were not particularly large loans and they were repayable over a short period of time, I think MFC proceeded with a proportionate amount of information.*

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

*Did MFC lend to Mr G responsibly using the information it had?*

*As I've said, the information MFC gathered suggested Mr G was left with sufficient disposable income each month to affordably and sustainably repay the borrowing in question. In other words, MFC was satisfied that the repayments for these loans should've been affordable for Mr G on a simple pounds and pence basis. This was, in my view, a reasonable conclusion in the circumstances.*

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

*For all four loans, the results suggested Mr G had a credit card with a balance within the credit limit, an insurance agreement, a communication account with zero balance and a current account which fluctuated between being slightly overdrawn (but within the agreed limit) to being in credit.*

*The credit search for Loans 2-4 revealed Mr G had taken out an unsecured loan with another lender a month earlier (this does not appear to be Loan 1). However, no adverse information was reporting with relation to this account.*

*It isn't unusual for lenders in the sector MFC operates in to lend to a customer who had payday or short-term loans on their credit files. But it does not mean that would lead to MFC needing to do further checks or to have declined Mr G's applications.*

*But, putting that to one side, what's more important is that even allowing for reasonable repayments to what MFC understood to be Mr G's existing credit commitments, these loans appear to have been affordable for him.*

*What's more, it appears Mr G's overall unsecured indebtedness was, in my view, not significant relative to what MFC understood to be Mr G's income.*

*And bearing in mind these weren't unusually large loans, and they were repayable over a short period of time, I don't think MFC had any good reason to think Mr G's financial situation*

*was likely to change significantly during the loan terms such that he would experience difficulty making the monthly repayments as they fell due.*

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

*I accept that Mr G's actual circumstances when MFC lent to him may be more accurately reflected by the copy of the credit file PR provided to the investigator. I don't think there is the level of adverse information on this credit file to give MFC sufficient cause to refuse to lend. But, putting this to one side, this information was not available to MFC from the credit report data it obtained prior to agreeing to lend. I think I'd be applying the benefit of hindsight unfairly if I were to now use Mr G's own copy of his credit file to argue that MFC's credit search was in some way inadequate or incomplete when that didn't appear to be the case at the relevant time.*

*In summary, I don't think MFC made unfair lending decisions when it approved Loans 1-4.*

### Loan 5

*Did MFC carry out reasonable and proportionate checks?*

*There was a gap of about six months between Mr G repaying Loan 4 and applying for Loan 5. The significant gap in the lending makes a difference as to how I would expect MFC to approach Mr G's application. I consider it fair and reasonable of MFC to have approached Mr G's application as if he was a new customer.*

*Prior to agreeing to Loan 5, MFC carried out much the same checks as it did for Loan 1-4.*

*During the application, Mr G declared he was still earning £1,400 per month. It does not appear that this figure was verified. Mr G also declared his expenditure (spread across the same categories as before) totalled £450. After deducting this – as well as the repayment for the lending in question – from Mr G's declared income, it looked like he had about £776 per month in disposable income.*

*MFC also carried out a credit checks prior to granting Loan 5. MFC has provided our service with a copy of the results it received.*

*Bearing in mind MFC had, in my view, reasonable grounds to consider Mr G's application as if he were a new customer, and thinking about the modest loan amount and short loan term, I am satisfied that it was reasonable for MFC to rely on the information Mr G declared as part of his application. This, coupled with a credit search, leads me to conclude that MFC proceeded with a proportionate amount of information prior to agreeing to lend.*

*However, as before, once MFC had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Mr G could afford to meet the loan repayments in a sustainable way over the term of the loan.*

*Did MFC lend to Mr G responsibly using the information it had?*

*As I've set out, MFC was satisfied that the repayments for this loan should've been affordable for Mr G on a simple pounds and pence basis. This was, in my view, a reasonable conclusion in the circumstances.*

*The credit check carried out prior to approving Loan 5 did alert MFC to the fact that Mr G's financial situation had somewhat changed from the prior loans.*

The results showed Mr G now had three credit cards, all of which were within or at agreed limits. It looks like Mr G's credit card utilisation was around 80%. The results also showed Mr G had three active unsecured loans (based on the loan amount I assume these a short-term high-cost loans). There was no adverse information being reported about any of these loans.

Whilst Mr G's overall indebtedness had increased since his earlier loans, I don't think this ought to have given MFC cause for concern. I say this bearing in mind it did not look like Mr G was overindebted relative to what MFC understood to be his income and it looked like Mr G was managing his existing finances well.

What's more, the results suggested there was no indication of any insolvencies or any other public records – such as County Court Judgments – about which MFC had been informed.

With all of this in mind, I don't think the results of the credit check – or any other information MFC gathered - should have prompted further checks or prevented it from lending to Mr G

So, I don't think MFC made an unfair decision when it approved Loan 5.

#### Loans 6-9

After paying off Loan 5, Mr G did not approach MFC for a further eight months. What I had to say about the gap between Loans 4 and 5 – and what this means for MFC's approach to the application - is applicable here.

Did MFC carry out reasonable and proportionate checks?

During his application, Mr G declared his net monthly income was £1,600 for Loans 6 and 7 and £1,750 for Loans 8 and 9 (this being a slight increase from Loans 1-5). Prior to granting each loan, MFC asked Mr G to provide his most recent payslip. This showed Mr G earned around £1,685 at the time of Loans 6 and 7, £1,727 at the time of Loan 8 and £1,799 at the time of Loan 9. Therefore, MFC was satisfied that the figure Mr G had declared was broadly accurate (MFC used the figure Mr G declared as part of its lending decision which, in the main, was a slight underestimation of his actual income).

And, with regards to his monthly expenditure, Mr G declared the following:

<b>Expense Category</b>	<b>Loan 6</b>	<b>Loan 7</b>	<b>Loan 8</b>	<b>Loan 9</b>
Housing	£100	£100	£0	£50
Utilities	£50	£50	£0	£125
Groceries	£50	£50	£40	£75
Transport	£50	£50	£50	£25
Credit commitments	£100	£100	£50	£100
Other	£50	£50	£50	£100
<b>Total</b>	<b>£400</b>	<b>£400</b>	<b>£190</b>	<b>£475</b>

MFC also carried out a credit checks prior to granting Loans 6-9. And, again, MFC has provided our service with a copy of the results it received.

The reduction in Mr G's declared expenditure when applying for Loan 8 – especially compared to what he declared when he applied for Loans 7 and 9 – may have given MFC some cause to ask more questions. However, looking at things in the round, and thinking about the size of the lending in question (the largest loan in this chain was £200) as well as

*the length of time Mr G was expected to maintain repayments, I think the steps MFC took prior to agreeing to lend were proportionate in the circumstances.*

*With that being the case, I've gone on to think about whether MFC reacted appropriately to the information it gathered.*

*Did MFC lend to Mr G responsibly using the information it had?*

*Based on the information Mr G declared about his income (which MFC verified via his payslips) and the information Mr G declared about his expenditure (which MFC verified – in part – through the credit check it carried out), it was satisfied Loans 6-9 were affordable for Mr G on a simple pounds and pence basis. This was, in my view, a reasonable conclusion in the circumstances.*

*So, I've turned to look at the result of the credit searches MFC carried out.*

*With regards to Loans 6 and 7, the credit reports MFC obtained prior to agreeing to lend reveal very similar information which, given their temporal proximity, is perhaps unsurprising.*

*The credit reports both showed that Mr G had a communications account on which the balance drops from £68 to £0 between Loans 6 and 7. It also shows Mr G had a current account on which he was not using his overdraft.*

*Both reports show Mr G had a total of four credit cards which were all maintained within their agreed limits with no recent arrears or late payment markers. I do note, however, that Mr G was very close to the credit limit (the largest of which was £500) on three of these credit cards (albeit Mr G reduces the balance on one of these between Loans 6 and 7.)*

*Both reports also reveal Mr G had two active loan accounts which were both opened about six to seven months prior to Loan 6 and had low balances remaining. It does, however, look like there was a recent arrears marker on one of these loans.*

*I've thought carefully about this and, on balance, I think it was just about reasonable for MFC to have not been too concerned by the presence of a sole arrears marker. I say this noting that there weren't enough other indications that Mr G was struggling to repay his other creditors. So, MFC could (not unreasonably, in my view) deem this to be an isolated incident.*

*So, I don't think MFC made an unfair decision when it approved Loans 6 and 7.*

*However, I think the landscape changes by the time MFC carries out its credit search during the application for Loan 8. I'll explain why.*

*This search once again revealed the communication account with a zero balance and a current account on which Mr G was not using his overdraft.*

*However, it also showed that Mr G had four active loan accounts – all of which were opened within two months of Loan 8 (including two opened on the same day). At least one of these (although I suspect it is more noting the value of the loans) appears to be a payday loan. The outstanding balances on these loans varied in value between £73 and £612.*

*What's more, the credit search revealed Mr G had four active credit cards on which he was at or close to the limit on two and he was actually over the limit (albeit marginally) on a third.*

*During the credit search for Loan 9, MFC learned that Mr G had a total of four active loan accounts (two being the same as ones identified during the credit search for Loan 8). This included a payday loan opened a month prior to Loan 9. The outstanding balances of these loan accounts range from £96 and £561.*

*The credit search also revealed Mr G had four active credit cards on which he was at or close to the limit on two of the accounts and he was over the limit on a third. It looks like there was an arrears marker applied to two of the credit cards around three months prior to Loan 9 although both accounts appeared to now be up to date.*

*All of this strikes me as difficult to reconcile with the rest of the information MFC gathered prior to agreeing to provide Loans 8 and 9 – in particular that Mr G had disposable income of £1,394 and £1,089 respectively once the repayments towards the loans in question were factored in.*

*I recognise there was no active adverse information being reporting in relation to Mr G's loan accounts, but I think the fact he had recently taken out multiple loans, including payday lending in the months prior to Loans 8 and 9, alongside the fact Mr G was utilising the majority of his available credit and was actually breach of the credit agreement on one of the accounts, was sufficient to suggest that Mr G was having trouble managing his money and was reliant on credit to makes ends meet. And I think this ought to have given MFC cause to make more searching enquiries to understand Mr G's financial situation before it agreed to lend.*

*It isn't possible to determine with certainty what such checks would have shown MFC in practice as I don't know what checks it would have decided to carry out if it had its time again. As a result, what I'm considering here is the likelihood of reasonable and proportionate checks showing MFC that Mr G would have been able to sustainably repay the borrowing in question when there were signs that suggested otherwise. And for that reason, it is necessary to now consider information that MFC hadn't considered at the time.*

*MFC could have obtained a deeper understanding of Mr G's financial circumstances by asking for his bank statements. Mr G has provided his bank statements for the three months prior to Loan 8 ("the Relevant Period"). I think a three-month period would have given MFC sufficient insight had it requested bank statements.*

*I acknowledge that something that I can now see from the information Mr G has provided wouldn't necessarily have been disclosed by whatever reasonable and proportionate checks MFC might have decided to carry out. But, in the absence of anything else, I don't currently think it's unreasonable to rely on the information I've got when determining what Mr G's financial circumstances were likely to have been like before MFC decided to lend to him.*

*The bank statements show Mr G's average monthly income during the Relevant Period excluding sporadic payments received from what I assume are family members and friends – was around £1,700. This is broadly in-line with the figure MFC relied on when making its lending decision which, noting it obtained a payslip prior to agreeing to lend, is unsurprising.*

*But the bank statements give a helpful summary, and that showed that in both December 2022 and January 2023 Mr G received less money into his account than he paid out. And that includes £800 (in total) Mr G received in the form of borrowing from other lenders. I appreciate some things can be argued as discretionary spending, but I think this is a potential indicator of an applicant having difficulty managing their finances.*

What's more, Mr G was making regularly overdrawn in the Relevant Period. The account was only brought back into a credit balance upon receipt of Mr G's salary after which it returned to being overdrawn a few days later – or when he received funds from other lenders.

But, perhaps of more concern, the bank statements revealed that Mr G has seen a total of 10 Direct Debits returned during the Relevant Period for items such as insurance and telephone contracts – the lowest in value being just £12. Therefore, it seems Mr G was not able to regularly maintain his existing committed expenditure.

I think all of this, coupled with the information MFC gathered from the credit check it carried out, ought to have given it cause to conclude that Mr G's financial situation was not stable such that he would struggle to affordably repay Loan 8 without undue difficulty.

As I've upheld Mr G's complaint about Loan 8, it therefore follows that his complaint about Loan 9 ought to be upheld as well.

I say this because Loan 9 was a continuation in the same chain of borrowing and there doesn't appear to have been any significant change in Mr G's situation.

Therefore, I don't think MFC should have agreed to lend Loans 8 and 9. I'll set out what, in my view, MFC need to do to put things right at the end of this decision.

#### Loans 10-11

After paying off Loan 9, Mr G did not approach MFC for further borrowing for around ten months. What I had to say about the gap between Loans 4 and 5, as well as Loans 5 and 6 – and what this means for MFC's approach to the application - is applicable here.

Did MFC carry out reasonable and proportionate checks?

Prior to agreeing to lend, MFC asked Mr G to provide information about his income and expenditure.

Mr G declared his net monthly income was £1,900 for Loans 10 and £1,950 for Loan 11. Prior to granting Loan 10, MFC asked Mr G to provide his most recent bank statement (March 2024). This showed his declared income was broadly accurate. I can't see that any verification of Mr G's income was undertaken for Loan 11. Noting the temporal proximity between Loans 10 and 11, it may well have been reasonable for MFC to rely on the March 2024 bank statement as verification of his income for Loan 11. However, as it makes no difference to the conclusion I've reached, I don't intend to explore that further.

And, with regards to his monthly expenditure, Mr G declared the following:

<b>Expense Category</b>	<b>Loan 10</b>	<b>Loan 11</b>
Housing	£100	£150
Utilities	£0	£75
Groceries	£120	£75
Transport	£120	£150
Credit commitments	£325	£306
Other	£100	£25
<b>Total</b>	<b>£765</b>	<b>£781</b>

*Mr G also declared that he was single and he was 'living with parents or a partner'. MFC verified this to be correct through searches of the electoral roll and the Mr G's which it says, justified Mr G's stated levels of expenditure.*

*As I've said, MFC also carried out a credit checks prior to granting Loans 10 and 11. And, again, MFC has provided our service with a copy of the results it received.*

*These were not particularly large loans, and the monthly repayments were not substantial in relation to what MFC understood to be Mr G's income. And they were repayable over a reasonably short period of time. With all of this in mind, I think MFC proceeded with a proportionate amount of information.*

*However, as I've said before, once MFC had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Mr G could afford to meet the loan repayments in a sustainable way over the term of the loan.*

*Did MFC lend to Mr G responsibly using the information it had?*

*Based on the information Mr G declared about his income (which MFC verified via his bank statement) and the information Mr G declared about his expenditure (which MFC verified – in part – through the credit check it carried out), it was satisfied Loans 10 and 11 were affordable for Mr G on a simple pounds and pence basis. This was, in my view, a reasonable conclusion in the circumstances.*

*So, I've turned to look at the result of the credit searches MFC carried out.*

*The credit report MFC obtained prior to granting Loan 10 did not reveal any active defaults or delinquent accounts at the time it agreed to lend. But a deeper look at the credit search data shows some clear signs Mr G was having trouble managing his money.*

*I say this because the report revealed Mr G had four active credit cards accounts at the time of this application. Whilst there were no active arrears on these accounts, Mr G was over the agreed limit on all four accounts. And I note Mr G had been in arrears for consecutive months on one of the accounts three months earlier.*

*In addition to the above, the credit search revealed that Mr G had taken out a total of three loans (all of which were still active) within the five months prior to the lending in question.*

*And, whilst I wouldn't necessarily expect MFC to conduct a forensic analysis of the bank statement it obtained prior to agreeing to lend, even a cursory review of it would reveal that Mr G had seen a Direct Debit – specifically a monthly repayment to another lender – be returned unpaid just a month prior to his application for Loan 10. It also showed that Mr G had taken out another loan with a different lender just a month prior to applying for Loan 10 (this was not yet reporting on the credit report MFC obtained).*

*In my view, all of this was sufficient to not only call into question the rest of the income and expenditure MFC obtained but in itself suggested that Mr G was already struggling to make ends meet and was reliant on borrowing to do so.*

*With that being the case, MFC ought to have concluded that there was enough evidence within the checks to indicate that Mr G was likely already having financial difficulties. And I think it should have realised that there was a real risk that he'd be unable to repay the loan sustainably, even if the loan may appear affordable on a pounds and pence basis.*

*So, MFC should not have granted Loan 10.*

*As I've upheld Mr G's complaint about Loan 10, it therefore follows that his complaint about Loan 11 ought to be upheld as well as Loan 11 was a continuation in the same chain of borrowing and there doesn't appear to have been any significant change in Mr G's situation.*

*Therefore, I don't think MFC should have agreed to lend Loans 10 and 11. I'll set out what, in my view, MFC need to do to put things right.*

*Did MFC act unfairly or unreasonably in some other way?*

*In reaching my conclusions, I've also considered whether the lending relationship between MFC and Mr G might have been unfair to Mr G under section 140A of the Consumer Credit Act 1974.*

*However, I'm satisfied that what I'm directing MFC to do results in fair compensation for Mr G given the overall circumstances of his complaint. For the reasons I've explained, I'm also satisfied that, based on what I've seen, no additional award is appropriate in this case.*

*Having carefully considered everything that has been said by both parties, I am provisionally minded to uphold this complaint in part and direct MFC to put things right in the way I have set out below:*

*Putting things right*

*I think that Mr G has lost out because MFC gave him Loans 8-11 when it shouldn't have.*

*If MFC has sold any outstanding debts then MFC should buy these back if it is able to do so and then take the following steps. If MFC isn't able to buy back the debts, then MFC should liaise with the new debt owner to achieve the results outlined below.*

- A. MFC should add together the total of the repayments made by Mr G towards interest, fees and charges for Loans 8-11;*
- B. It should then calculate 8% simple interest\* on the individual payments made by Mr G which were considered as part of "A", calculated from the date Mr G originally made the payments, to the date the complaint is settled.*
- C. MFC should pay Mr G the total of "A" plus "B".*
- D. MFC should remove any adverse information it has recorded on Mr G's credit file in relation to Loans 8-11.*

*\*HM Revenue & Customs requires MFC to deduct tax from this interest. MFC should give Mr G a certificate showing how much tax it has deducted if he asks for one.*

### **Responses to my provisional decision**

In response to the provisional decision, MFC got in touch to confirm the redress calculation based on my proposed award.

PR did not respond to the provisional 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.

Having reconsidered the available evidence in this complaint, and noting that neither party had anything further to add in response to my provisional findings, at least insofar as the merits of the complaint are concerned, I see no reason to depart from the conclusions set out in my provisional decision.

It follows that, for the reasons set out in my provisional decision, I uphold Mr G's complaint about MFC's decision to lend Loans 8-11.

### **Putting things right**

I think that Mr G has lost out because MFC gave him Loans 8-11 when it shouldn't have.

If MFC has sold any outstanding debts then MFC should buy these back if it is able to do so and then take the following steps. If MFC isn't able to buy back the debts, then MFC should liaise with the new debt owner to achieve the results outlined below.

- A. MFC should add together the total of the repayments made by Mr G towards interest, fees and charges for Loans 8-11;
- B. It should then calculate 8% simple interest\* on the individual payments made by Mr G which were considered as part of "A", calculated from the date Mr G originally made the payments, to the date the complaint is settled.
- C. MFC should pay Mr G the total of "A" plus "B".
- D. MFC should remove any adverse information it has recorded on Mr G's credit file in relation to Loans 8-11.

\*HM Revenue & Customs requires MFC to deduct tax from this interest. MFC should give Mr G a certificate showing how much tax it has deducted if he asks for one.

### **My final decision**

My final decision is that I uphold Mr G's complaint about MFC's decision to lend Loans 8-11. And I direct MFC to put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 December 2025.

Ross Phillips  
**Ombudsman**