

The complaint

Ms A complains that Loans 2 Go Limited (Loans 2 Go) lent to her irresponsibly by providing three loans that were unaffordable to her without carrying out appropriate checks. Ms A is represented by a professional third-party, but for ease, I shall refer to Ms A throughout.

What happened

Ms A applied for and was given the following loans from Loans 2 Go:

Date	Amount of Credit	Interest rate (APR)	Loan Term	Monthly Repayment
December 2019	£250.00	1,013.2%	18 months	£57.14
November 2020	£380.33	1,013.3%	18 months	£86.93
October 2021	£363.76	769.9%	18 months	£74.77

In summary, Ms A complains that the loans provided by Loans 2 Go were irresponsible lending believing insufficient checks were performed at the time of the decision resulting in unaffordable loans and causing Ms A further financial difficulties.

Ms A complained to Loans 2 Go in August 2025. Her complaint was not upheld, with Loans 2 Go issuing a final response letter later in the same month. In their letter, Loans 2 Go stated their belief that reasonable and appropriate affordability checks had been carried out for each lending decision and their resulting decisions had been reached fairly. Ms A disagreed and brought her complaint to the service in September 2025.

An investigator considered the merits of Ms A's complaint. In his view the checks performed by Loans 2 Go were appropriate and proportionate given the financial situation described by her credit file and application. Ms A disagreed and the matter has been passed to me to make a final 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 approach to considering unaffordable and irresponsible lending complaints on our website – including the key relevant rules, guidance, good industry practice and law. In short, lenders must ensure that any credit that is approved is affordable and sustainable for the borrower. I've followed our approach when deciding Ms A's complaint. I must apply the same tests as the investigator when considering this case. Having reviewed the evidence available to me, while I know it will disappoint Ms A, I agree with the investigator's view. I'll explain why.

Initial Application:

When applying for her initial loan, Ms A declared a monthly income of £3,150 and provided some high level expenditure information on her application. Loans 2 Go say they were able

to verify a lower amount of income via third party credit agencies of around £1,167.16 per month.

Loans 2 Go then referenced Ms A's credit file and applied the more stringent of her responses and modelling data provided by the Office for National Statistics (ONS) to estimate her expenditure. I must first consider whether these checks were appropriate in the circumstances.

I have received submissions from Ms A including references to FCA regulations and guidance explaining her belief that these checks were insufficient to make a fair lending decision. I have read all of these and considered them when reaching a decision over the appropriateness of the checks made by Loans 2 Go at initial application.

In particular, I have considered whether the difference between the income declared by Ms A and the income verified by Loans 2 Go and/or the presence of active County Court Judgments (CCJ's) should have been sufficient red flags to prevent a loan from being made on the information available.

It is true to say Ms A's verified income is considerably less than that declared by her on application. It is also true that at the time of application, Ms A had two active CCJs. However, I must balance this with the fact that the CCJs were not raised within the last 12 months and there had been no defaults, missed payments or other active loans prior to the lending decision.

I also note Loans 2 Go's comment that as a lender in the sub prime market it is not uncommon for their customers to have weak or poor credit files and appropriate credit should be available to them. I must also consider that Loans 2 Go made a lending decision while aware of the lower verified income.

I have also considered Ms A's suggestion that the APR alone indicates a loan of such risk that further checks would always be proportionate. After considering this, I cannot agree with this view. I must consider more than any single indicator. In this case, both the amount of the loan and the information found on the credit file would be relevant to proportionality.

While the points made by Ms A are relevant considerations, and while acknowledging that it will disappoint Ms A, I am not persuaded that in this particular case the checks made by Loans 2 Go were insufficient. In these particular circumstances, I find that the checks made by Loans 2 Go were reasonable and proportionate to the lending.

Having said that I believe the checks made were appropriate for the initial lending, I must consider whether Loans 2 Go have among other things, considered Ms A's ability to repay the loan. Having considered Ms A's submissions and the modelling undertaken by Loans 2 Go I am persuaded that Loans 2 Go have turned their minds to this area.

Given the credit file and information available to Loans 2 Go, it appeared likely that Ms A would have sufficient disposable income to repay the loan – even with the lower, verified monthly income being used to assess Ms A's income and expenditure.

It follows from what I have said, that I believe Loans 2 Go made a fair lending decision in this case.

Loans 2 and 3

I will deal with loans 2 and 3 more briefly as the considerations at each point are broadly similar.

I note Ms A's view that Loans 2 Go made two further loans with insufficient checks made on each occasion. Loans 2 Go dispute this suggesting their checks were adequate as the only lender to Ms A who had a broadly consistent credit file.

On each occasion, Loans 2 Go relied on data provided by Ms A on her application and modelling from ONS data. I note that the income figure was now agreed at around £1,000 per month.

Had loans 2 and/or 3 been for additional lending without consolidating the existing lending or had total lending increased by more, I might have expected Loans to Go to validate further detail with Ms A. However, for the reasons outlined above I think the checks were reasonable and proportionate given the content of the credit file and the amount being lent.

Ms A correctly points out that a new CCJ appeared on her credit file at this point. However, having considered the content of the credit file, this appears to relate to an historic issue rather than a reflection on her current financial situation.

I must also consider the view expressed by Loans 2 Go that over this period there were no late payments or defaults on Ms A's existing loan with them. The credit file also showed Loans 2 Go as the only lender to Ms A and this was building an improved credit history from their perspective.

Given these points and particularly given the relatively small increase in overall lending, I think the checks performed were proportionate and reasonable in the circumstances. Similarly, in both cases, I have seen the methodology applied by Loans to go in considering the affordability of each loan to Ms A. I am persuaded that they gave this due consideration and based on the credit file and figures available to them it appeared likely that Ms A had sufficient disposable income to afford the subsequent lending.

It follows from what I have said that I think Loans 2 Go made fair lending decisions in these cases too.

In reaching my conclusions, I've also considered whether the lending relationship between Loans 2 Go and Ms A might have been unfair to Ms A under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Loans 2 Go did not lend irresponsibly when providing Ms A with the loans. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I do not uphold Ms A's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 12 February 2026.

Richard Bellamy
Ombudsman