

The complaint

Miss R complains that Gain Credit LLC trading as Lending Stream lent to her twice in 2024 when she could not afford to repay the loans. Miss R says that the lending created a reliance on payday loans.

What happened

Miss R took three loans with Lending Stream but she is not complaining about the one taken in November 2020. Brief details were set out in a table in the provisional decision sent 5 February 2026 to both parties and I do not repeat it here. After Miss R had complained and then referred it to the Financial Ombudsman Service, one of our investigators thought that neither of the loans in 2024 ought to have been approved for Miss R. Lending Stream disagreed and the unresolved complaint was passed to me to decide. Miss R has not complained about Loan 1 and so I have not reviewed it. On 5 February 2026 I issued a provisional decision giving reasons why I planned not to uphold the complaint. That is duplicated here for ease.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website and I've taken this into account in deciding Miss R's case. I've provisionally decided the credit was provided fairly and I plan not to uphold the complaint. I think the checks Lending Stream did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Miss R's financial situation.

A £200 loan was modest, and it was a new lending chain at Loan 2. The repayments were not large. Miss R's income was checked using a verification system with the Credit Reference Agency (CRA) and received a TAC (Total Annual Compensation) result from that CRA. I have used the information Miss R sent to us which dovetails with the income figures Lending Stream used. I've used that evidence from Miss R to see whether the Lending Stream income checks were wrong and clearly, they were correct. The October 2024 payslip which would have been the one available to Lending Stream if it had asked for one showed that Miss R's net take home pay was £2,037 which is the figure Lending Stream used. Plus, in doing that I've seen that Miss R received a further £170 each month for child benefit.

Lending Stream's checks showed that Miss R had no delinquencies, judgement debts or insolvencies and it found no history of defaulted accounts. Lending Stream factored in the amounts it considered were fair and reasonable when assessing her expenditure and her credit commitment costs and these accord with my research using Miss R's evidence. I have noted that the Lending Stream checks led to Income and Expenditure (I&E) calculations showing that Miss R didn't have a lot of disposable income for Loan 2. But overall, this was not a big loan, and I do not consider Lending Stream needed to do more. In Miss R's circumstances as known to Lending Stream, the narrow margin calculation on its own does not lead me to consider that this calls for a conclusion that the loan ought not to have been approved. So, I do not consider it's fair or reasonable for an uphold for this part of the complaint surrounding Loan 2.

And at Loan 3, even Lending Stream's I&E calculations showed that Miss R could afford it and with a wider disposable income margin – around £168 after paying all

commitments down including Loan 3. And this seems to stem from her salary being bigger at Loan 3. The figure Lending Stream used was £2,190 and the payslip for November 2024 sent to us by Miss R shows her take home pay was £2,534. So, if Lending Stream had asked for more evidence about her income then it would have seen that Miss R earned more in November 2024. Plus, Miss R received the £170 a month child benefit as I referred to earlier in this decision.

I have considered the fact that the loans overlapped but this does not amount to 'repeat lending' as outlined by our investigator. There were only two loans in this loan chain. And I do not consider that Lending Stream could be expected to conclude that Loan 3 was unaffordable when its own calculations on I&E left Miss R with a good margin with which to repay the loan. Overall, I do not consider Lending Stream lent irresponsibly. Based on the information Lending Stream gathered and what it knew about Miss R's circumstances, there was nothing to suggest Miss R was unable to sustainably repay what she was being lent. I don't think Lending Stream acted unfairly in any other way.

This means I don't think Lending Stream did anything wrong when it provided the loans to Miss R. I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Lending Stream lent irresponsibly to Miss R or otherwise treated her unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here. I know this isn't the outcome Miss R hoped for. But for the reasons above, I'm not asking Lending Stream to do anything to put things right.

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.

Neither party has responded and so in the absence of any further submissions or evidence I have no reason to depart from the findings given in my provisional decision which has been duplicated above and forms part of this final decision. For the reasons given, I do not uphold the complaint.

My final decision

My final decision is I do not uphold the complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 19 March 2026.

Rachael Williams
Ombudsman