

Complaint

Mrs L has complained about high-cost short-term credit (“HCSTC”) instalment loans Gracombex Ltd (trading as “The Money Platform”) unfairly brought about for her. She says that the loans were unaffordable and therefore shouldn’t have been brought about.

Background

The Money Platform operated the electronic system in relation to lending which led to Mrs L being provided with three high-cost short-term credit instalment loans. Mrs L’s lending history is as follows:

Loan	Amount	Taken	Settled	Instalments	Payment
1	£600	July 2024	July 2024	3	£311.05
2	£1,000.00	September 2024	December 2024	3	£483.00
3	£1,000.00	December 2024		3	£470.12

One of our investigators reviewed what Mrs L and The Money Platform had told us. And he thought that The Money Platform didn’t do anything wrong when bringing about loans 1 and 2 for Mrs L. However, he also thought that proportionate checks would have shown The Money Platform that it shouldn’t have arranged loan 3 for Mrs L. So the investigator recommended that Mrs L’s complaint be partially upheld.

Mrs L accepted the investigator’s view however The Money Platform disagreed and asked for an ombudsman to look at the complaint.

My provisional decision of 3 November 2025

I issued a provisional decision – on 3 November 2025 - setting out why I wasn’t intending to uphold Mrs L’s complaint.

In summary, I was satisfied that The Money Platform had carried out proportionate checks which showed that these loans were affordable for Mrs L. In these circumstances, I was of the view that it wasn’t unfair for The Money Platform to have arranged these loans for Mrs L.

The Money Platform’s response to my provisional decision

The Money Platform didn’t respond to my provisional decision or provide anything further for me to consider.

Mrs L’s response to my provisional decision

Mrs L responded disagreeing with my provisional decision. In essence, she said this was because:

- She did repay loan 1 early but paid loan 2 at the end of its term and immediately borrowed loan 3 which shows that she was relying on loans.

- Her debt level had increased by the time of her third loan.
- She doesn't think it would be right for a default to now be recorded for this loan.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've explained how we handle complaints about short term lending on our website. And I've used this approach to help me decide Mrs L's complaint.

Having carefully thought about everything I've been provided with, including events since my provisional decision, I'm not upholding this complaint. I'd like to explain why in a little more detail.

The Money Platform operated an electronic system in relation to lending which resulted in Mrs L being provided with high-interest loans, intended for short-term use. In these circumstances, The Money Platform needed to take reasonable steps to ensure that these loans weren't brought about irresponsibly. In practice, what this means is that The Money Platform needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mrs L before arranging it.

Our website sets out what we typically think about when deciding whether a lender's (or P2P operator – such as The Money Platform here) checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we'd expect a P2P platform operator to be able to show that it didn't continue to arrange loans for a customer irresponsibly.

The Money Platform says it agreed to Mrs L's applications after she'd provided details of her monthly income, which was validated against information from credit reference agencies on the amount of funds going into her main bank account, her expenditure and it carried out credit checks on her.

It says the information Mrs L provided on her income and expenditure showed that she'd be able to comfortably make the repayments she was committing to make as a result of these loans. And in these circumstances, it was reasonable to arrange these loans. On the other hand, Mrs L says that these loans were unaffordable for her and her applications for them shouldn't have been accepted.

I've carefully thought about what Mrs L and The Money Platform have said. The information provided does suggest that Mrs L was asked to provide details of her income and expenditure. The Money Platform didn't just accept Mrs L's declarations at face value, it carried out credit searches. I can also see that The Money Platform took steps to validate Mrs L's declaration of income.

Bearing in mind the amount of the monthly repayment, the questions The Money Platform asked Mrs L, it taking account of what the credit checks showed and these being the first loans it was arranging, I don't think it was unreasonable for The Money Platform to rely on the information that Mrs L had provided.

In my view, The Money Platform reasonably relied on the information provided with and given the amount of the repayments involved and the overall circumstances of Mrs L's loan history, I don't think it was unreasonable for The Money Platform to provide these loans – especially as there wasn't anything obvious, in the information it had, to suggest Mrs L wouldn't be able to sustainably repay these loans.

I note that our investigator was of the view that The Money Platform shouldn't have arranged loan 3 for Mrs L because of the fluctuation in borrowing between loan 2 and loan 3. However, I'm not persuaded that the difference in the amount owed warranted doing anything more.

In response to my provisional decision Mrs L has said that her borrowing had increased by December 2024. I accept that, as the investigator pointed out in his assessment, the amount Mrs L owed at the time she applied for loan 3 was greater than it was at the time of her application for loan 2. However, the information that The Money Platform has provided shows that Mrs L owed around £11,000.00 at the time of loan 1. And she owed roughly around this much at the time that she applied for loan 3.

I accept that Mrs L's actual circumstances may not have been reflected either in the information she provided, or the other information The Money Platform obtained. And I'm sorry to hear that Mrs L was struggling financially. I note that the investigator relied on information that contained in Mrs L's bank statements in order to reach the conclusion The Money Platform shouldn't have brought about loan 3 for her.

Having looked at the copies of the bank statements Mrs L has provided us with now, I can see why she got into difficulty. It's possible – but by no means certain – that The Money Platform might have decided against arranging loan 3 for Mrs L had it seen this information. However, and most importantly The Money Platform didn't have Mrs L's bank statements and given the circumstances here, I don't think that it needed to obtain this information from her either.

In my view, proportionate checks certainly wouldn't have gone into the level of granularity whereby The Money Platform ought reasonably to have picked up on Mrs L's additional spending and the knock-on effect (missed payments to utility providers and missed council tax payments) this was having on her finances. I also think that it is unlikely – and certainly less likely than not – that Mrs L made any attempt to disclose this at the time, or that The Money Platform knew or ought to have known about this.

Equally it's only really fair for me to uphold a complaint where I can safely say a lender did something wrong. And, in this case, I don't think that The Money Platform did anything wrong when arranging these loans for Mrs L - it carried out reasonable checks even though Mrs L now says that the information it had (most of which was provided by her) was inaccurate.

The Money Platform reasonably relied on the information provided with and given the amount of the repayments involved and the overall circumstances of Mr P's loan history, I don't think it was unreasonable for The Money Platform to arrange these loans – especially as there wasn't anything obvious, in the information it did have, to suggest Mrs L wouldn't be able to sustainably repay them.

Did The Money Platform bring about loans for Mrs L in circumstances where it ought reasonably to have realised that doing so was unsustainable or otherwise harmful for her?

In reaching my conclusions, I've also kept in mind that I'm considering a complaint about three loans that The Money Platform arranged for Mrs L and in some circumstances repeat borrowing in itself can sometimes be an indication of a customer borrowing in a way that is unsustainable. However, I think that there are a number of reasons why Mrs L's pattern of borrowing doesn't in itself appear problematic here.

Firstly, while the provision of three loans can in itself be problematic, in this case Mrs L had chosen to repay loans 1 and 2 early. To be clear, loan 2 was repaid in December 2024. Nonetheless, the final payment was made a little ahead of when it was due to be repaid. Furthermore, bearing in mind how long loan 1 was in force for, it's fair to say that there was a reasonable gap between it being repaid and loan 2 being taken. I appreciate that Mrs L says that she borrowed the funds to repay this loan from a family member. But I don't think that The Money Platform could reasonably have been aware of this.

Equally, I think that The Money Platform was reasonably entitled to take this into account this existing pattern and then review the situation when it bringing about loan 3 for Mrs L. It's also worth noting that Mrs L was due to be indebted for a total period of less than seven months (one month for loan 1 and then three months for loans 2 and 3) when loan 3 was arranged for her.

Bearing in mind it's not uncommon for individual loans to be provided over terms equivalent to the entire period Mrs L was due to be indebted for, when The Money Platform arranged loan 3, I don't think that The Money Platform ought to have realised that Mrs L was using these loans in a way that was unsustainable.

So while Mrs L being a repeat borrower here has led to me taking a closer look at the overall pattern of lending, I'm satisfied that it wasn't unfair for The Money Platform to have provided these loans to Mrs L on the basis that it ought to have realised that it was increasing her indebtedness in a way that was unsustainable or otherwise harmful for her.

Conclusions

Overall and having carefully considered everything, I'm satisfied that The Money Platform's checks before arranging these loans were reasonable and proportionate. As this is the case, I'm not upholding Mrs L's complaint.

I appreciate that this will be very disappointing for Mrs L. This is especially as the investigator – albeit, in my view, erroneously – suggested that the complaint should be upheld. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

The position going forward

Bearing in mind what Mrs L has said about her financial position and her current ability to make payments, I would like to remind The Money Platform of the expectation that it will continue to exercise forbearance and due consideration in relation to the outstanding balance on loan 3. I know that in its final response, which was issued sometime ago, The Money Platform offered to accept payments from Mrs L via a flexible and affordable payment plan.

I would encourage Mrs L to now get in contact with and co-operate with any steps that may be needed to review what she might, if anything, be able to repay going forward. I would also expect The Money Platform to take account of what it learns about Mrs L's circumstances when determining any next steps – including any defaulting of the account. Mrs L may be able to complain to us – subject to any jurisdiction concerns – should she be unhappy with

The Money Platform's actions in relation to its actions on the outstanding balance going forward.

My final decision

For the reasons I've explained above and in my provisional decision of 3 November 2025, I'm not upholding Mrs L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 16 December 2025.

Jeshen Narayanan
Ombudsman