

The complaint

Miss B complains that Western Circle Ltd, trading as Cashfloat, lent to her irresponsibly when they provided her with two personal loans.

What happened

In 2025, Miss B took out two short-term personal loans with Cashfloat. The first was in March 2025, where she borrowed £300; and the second in June 2025, where she borrowed £600. The loans were repayable by regular monthly instalments, albeit the first and last instalment on each loan was lower than the regular payment.

Date	Amount borrowed	APR	Instalments	Repayment schedule	Total repayable
20/03/2025	£300	800.62%	4	1 x £73.80 / 2 x £147.60 / 1 x £73.80	£479.70
27/06/2025	£600	630.75%	7	1 x £131.20 / 5 x £174.95 / 1 x £131.20	£1,093.55

In 2025, Miss B complained. In summary, she said Cashfloat had irresponsibly lent to her and that sufficient checks – to ensure her affordability status – hadn't been undertaken.

Cashfloat didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the loans were granted. They were satisfied they had lent responsibly.

Miss B disagreed; she still thought Cashfloat were wrong to have lent to her. So, she referred her complaint to this Service for independent review.

An Investigator here considered what had happened; having done so, she didn't think Cashfloat had done anything wrong. In short, the Investigator said:

- The checks carried out by Cashfloat were proportionate in the circumstances.
- The information gathered as a result of those checks wouldn't have given Cashfloat any cause for concern.
- There was nothing that would have suggested to Cashfloat that Miss B was struggling financially, and/or wouldn't be able to afford the repayments towards the credit.
- Any financial struggles, which did materialise for Miss B later, wouldn't have been apparent to Cashfloat at the time they provided Miss B with the loans.
- Overall, with that in mind, Cashfloat hadn't acted unfairly or unreasonably in providing this credit to Miss B.

Miss B disagreed; she maintained she'd been irresponsibly lent to. So, as no agreement has been reached by the parties, Miss B's complaint has now been passed to me to decide.

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 done so, while this will no doubt disappoint Miss B, I agree with the findings of our Investigator and for broadly the same reasons. I'll explain.

The rules and regulations in place at the time Miss B was provided with the loans, required Cashfloat to carry out a reasonable and proportionate assessment. That's to determine whether Miss B could afford to repay what she owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Miss B. So, Cashfloat had to think about whether repaying the credit sustainably would cause her difficulties, or other adverse consequences. In other words, Cashfloat had to consider the impact of any repayments on Miss B.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g: their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Cashfloat did what they needed to before agreeing to lend to Miss B.

Before agreeing to lend, on both occasions Cashfloat checked data recorded with Credit Reference Agencies ("CRAs"); and it relied upon information provided by Miss B in her application. I've been provided the results of Cashfloat's checks and, in my view, the data they gathered didn't suggest that there was any real cause for concern.

Rather, information obtained from CRAs didn't show any recent defaults or active County Court Judgments; nor was Miss B subject to an Individual Voluntary Arrangement ("IVA"), or any bankruptcy or insolvency proceedings.

Looking at the first lending decision, Cashfloat took information declared by Miss B in relation to her income and regular living expenses. It recorded her self-declared monthly income as £2,200, and her monthly living expenses at around £250. It also deducted £400 that she had declared in monthly credit commitments which left her with a self-reported disposable income of £1,550. Cashfloat also took steps to verify the income Miss B had declared with a credit reference agency.

While Cashfloat confirmed Miss B's actual credit commitments as £362 a month from the credit check they ran, they deducted the higher figure quoted by Miss B. They also included a £300 buffer, which reduced Miss B's estimated disposable income down to £1,250 a month. Their checks also highlighted no concerns with repayments towards existing credit commitments.

So, given the relatively low amount being borrowed, and the fact that Cashfloat's checks raised no cause for concern, I'm satisfied the checks went far enough, and I think it was reasonable for Cashfloat to conclude the lending was affordable based on the results of those checks.

Miss B went on to make all repayments on time under this agreement and repaid the balance earlier than scheduled. Cashfloat then provided Miss B with her second loan in

June 2025, this time for £600. And again, as well as taking into account Miss B's self-reported income, they verified this information using credit reference agency data. They also took into account the limited repayment history under Miss B's first loan.

When Miss B applied for the second loan, she reported a monthly income of £2,265, similar to her last declaration, and it's noted that she was now paying slightly more towards her living costs. Her monthly credit commitments had also increased based on the credit checks completed by Cashfloat, partly due to the existing loan she had taken out, as well as some other credit items elsewhere. So, I've thought carefully about whether Cashfloat's checks needed to go further.

But the checks Cashfloat had carried out, aside from noting the increase in outstanding credit commitments, still showed that when allowing a £300 buffer, Miss B still had in the region of £600 in disposable income which she could use towards making her repayments. And while her credit commitments had increased quite quickly, there were still no issues evident with her repayments, based on the results of Cashfloat's credit check. And the amount she was borrowing was still a relatively moderate sum.

Taking the above into account, and given this was only the second loan Miss B had taken out with Cashfloat, I think, given the positive results obtained from Cashfloat's checks; and, what appears to be an ample disposable income from which Miss B could draw on to make her repayments, I'm satisfied, in the round, that Cashfloat's checks did not need go further, and that again, it was reasonable for them to conclude that the lending was affordable for Miss B based on the results of the checks they did carry out.

Miss B has argued that she was gambling at the time and had taken out further loans in the lead up to this one. While I appreciate this was a difficult time for Miss B, and I'm sorry to hear of the struggles she was experiencing, I've set out above why I don't think the additional credit taken out, warranted further checks on this occasion. And, while gambling is something our service would expect a business to take into account when carrying out an affordability assessment, there's nothing I've seen, that suggests to me that Cashfloat would have been aware of this, based on the results of their proportionate checks.

So, for the reasons set out above, I won't be asking Cashfloat to do anything further in the circumstances.

Finally, I've also considered whether the relationship might have been unfair under Section 140A (S140A) of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Cashfloat lent irresponsibly to Miss B or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that S140A 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 Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 5 January 2026.

Brad McIlquham
Ombudsman