

The complaint

Mr R, through his representative, complains that Gain Credit LLC trading as Lending Stream lent to him irresponsibly.

What happened

A table of lending is reproduced here. There was a six month break between Loans 9 & 10.

Loan	Approved	Amount	Terms	Repaid
1	16 April 2021	£140	£38 x 6months	1 August 2021
2	8 May 2021	£400	£122 x 6 months	22 October 2021
3	29 May 2021	£120	£39 x 6 months	20 September 2021
4	4 August 2021	£390	£122 x 6 months	17 December 2021
5	22 March 2022	£200	£67 x 6 months	30 September 2022
6	6 May 2022	£200	£62 x 6 months	20 October 2022
7	1 July 2022	£200	£64 x 6 months	30 November 2022
8	14 October 2022	£100	£30 x 6 months	24 December 2022
9	17 October 2022	£100	£33 x 6 months	11 March 2023
gap				
10	22 September 2023	£100	£35 x 5 months £26 x 1 month	22 February 2024
11	25 September 2023	£100	£34 x 5 months £29 x 1 month	18 March 2024
12	9 October 2023	£100	£31 x 5 months £30 x 1 month	21 March 2024
13	19 March 2024	£160	£51 x 5 months £50 x 1 month	10 September 2024
14	20 April 2024	£100	£32 x 5 months £30 x 1 month	10 October 2024

After Mr R had complained, Lending Stream issued its final response letter and it was then referred to the Financial Ombudsman Service. Our investigator considered that Loans 3 to 14 ought not to have been approved and he gave reasons why. Lending Stream accepted the outcome in part for Loans 6 to 9 and Loans 13 and 14.

After the complaint had been passed to me, on 2 December 2025 I issued a provisional decision in which I said that I planned to uphold the complaint about Loans 4 to 9 and Loans 13 and 14. That provisional decision is set out here for ease of reading.

What I provisionally decided on 2 December 2025 – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable

in the circumstances of this complaint. Lending Stream had to assess the lending to check if Mr R could afford to pay back the amounts he'd taken without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. Lending Stream's checks could've taken into account a number of different things, such as how much was being lent, the size of the repayments, and Mr R's income and expenditure. I think in the early stages of a lending relationship, less thorough checks might have been proportionate. But certain factors might suggest Lending Stream should have done more to establish that any lending was sustainable for Mr R. These factors include:

- Mr R having a low income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);
- The amounts to be repaid being especially high (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- Mr R having many loans and/or having these loans over a long period of time (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable);
- Mr R coming back for loans shortly after earlier borrowing had been repaid (also suggestive of the borrowing becoming unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Mr R. Our investigator considered that there was repetitive lending and I note that many of the loans overlapped. Lending Stream was required to establish whether Mr R could *sustainably* repay the loans – not just whether he technically had enough money to make his repayments. Having enough money to make the repayments could of course be an indicator that Mr R was able to repay his loans sustainably. But it doesn't automatically follow that this is the case.

Loans 3 to 5

For Loans 3, 4 and 5, Mr R had declared that he earned £1,500 a month after tax and Lending Stream seems to have accepted that. Lending Stream increased the household living expenses figure a little each time and used around the same figure – between £743 and £779 a month. Lending Stream's credit searches for these three loans led to it increasing Mr R's credit commitment cost each month to £161 for Loan 3, £303 for Loan 4 and £328 for Loan 5. Using those figures the loans looked affordable for Mr R.

Additional details are that Loan 3 was applied for when Loans 1 and 2 remained open and I have reviewed the Statements of Account (SOAs) for Loans 1 and 2 to see if Mr R was keeping up with those repayments. Mr R overpaid each month for Loan 1 and ended up repaying it a couple of months early. And Mr R was repaying Loan 2 satisfactorily and overpaid once in July 2021. That would have been after Mr R had applied for Loan 3. So, I do not consider that Lending Stream would have been prompted to review bank account statements. I consider that Lending Stream did proportionate checks for the lower loans sum for Loan 3 and I plan not to uphold the complaint about Loan 3.

Loan 4 funds looked to have assisted Mr R in repaying Loan 1. And when he applied for Loan 4 which was for more at £390 then I've looked at the SOA for Loan 3. Mr R had been repaying it satisfactorily and had overpaid once in July 2021. And I'm aware that having to repay Loans 2, 3 and 4 all at once effectively would have been around £284 a month for a while. And that was a fairly large portion of Mr R's declared salary of £1,500. Plus, the Lending Stream Credit reference checks indicated that Mr R's spend on credit had increased as well.

And I reviewed the brief summary Lending Stream has provided being its credit search at Loan 4 and Mr R's overall debt balance, albeit not really high, but it had increased and he had gone up to 13 open accounts since he'd obtained Loan 3. And so, I do consider that all these elements together lead me to think it ought to have checked a few more of the details with Mr R before granting a fourth loan, with three others still open.

Asking Mr R for further information about his financial situation may have involved him

supplying copies of utility bills, copy payslips and evidence of other expenditure and credit accounts for which he was liable. A convenient method, one of several available, was to have reviewed copies of Mr R's bank account statements which usually show a wider picture of his finances and how he was managing his money. And having done it for loan 4 it ought to have done the same for Loan 5 too.

Having reviewed Mr R's statements from around the time of loan 4 I have seen his average monthly income was around £1,340. He had regular living costs totalling around £867 and credit commitments totalling about £475. This meant he would have been in a deficit. So, I plan to uphold the complaint about loans 4 and for the rest of that lending chain which includes Loan 5. Lending Stream has accepted the outcome for Loans 6 to 9 inclusive and so these are included in the redress section at the end of this decision.

Lending relationship break.

The gap between Mr R paying off Loan 9 and applying to Lending Stream for Loan 10 was more than six months gap. And our approach is that usually we consider it fair and reasonable for Lending Stream to have treated Mr R as a new customer after such a period with no lending. So, I disagree with our investigator who has said that the previous lending cannot be ignored.

Therefore, the checks carried out at Loan 10 which was for a small amount of £100 and being approached as if he was a new customer, I'd not expect Lending Stream to do more than it did. I note that there was a default but it had been several months before and as the calculations for Mr R's income and expenditure still left him with a satisfactory amount left over with which to pay around £35 a month, then I don't consider it needed to do more.

My view is the same for Loans 11 and 12. I plan not to uphold the complaint about Loans 10 to 12 inclusive. Lending Stream has accepted that it ought to put things right for Loans 13, 14.

This is the end of the duplicated 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.

Since the provisional decision was issued, Mr R has accepted the outcome. Lending Stream responded to say that it did not agree with the new outcome which included Loans 4 and 5 as upholds. It remained satisfied with the uphold outcomes for loans 6 to 9 and 13 and 14.

So, in light of their additional submissions I have reviewed the information surrounding Loans 4 and 5. Working backwards, I upheld Loan 5 because I upheld Loan 4. As I'd determined that Mr R likely was not able to repay multiple repayments to Lending Stream on all of his open loans plus the new Loan 4, without borrowing further, then it was a logical extension that the other loan in that lending chain would also be upheld.

I am not persuaded to alter my outcome for Loan 4. Lending Stream's statement that it does not think Mr R used Loan 4 funds to repay Loan 1 is not a strong one – as I interpret the evidence to show me that the Loan 4 application was to provide funds to Mr R having repaid Loan 1 early. He was short again and needed more. The scheduled repayments for Loan 1 were meant to have been 27 August 2021 and 24 September 2021. Which would have led to Mr R having four Lending Stream loans open. Instead he repaid Loan 1 on 1 August 2021 (which was a Sunday) and a few days later needed more. Its relying on semantics to argue this point. Mr R needed to borrow more.

Lending Stream's own credit bureau information showed that his number of accounts, total debt owing and the monthly repayments it had calculated had all increased when he applied for Loan 4. Its own calculation of Mr R's monthly repayments to cover his credit commitments had increased from £77 a month to £297 a month.

I consider Lending Stream ought to have done more checks as the Loan 4 application was actually for £500 which was much more than he'd applied for at Loan 3. All these points are cumulative and pointed to additional checks being required. Lending Stream approved a lesser sum of £390.

Having reviewed financial information from Mr R to see what Lending Stream may have seen if it had done more checks then I repeat the findings I made in my provisional decision. And I add this – Mr R took another loan with a different company in July 2021 – its seen crediting his account. That may not have featured in the Lending Stream credit bureau search results summary as it only ever sends us summaries. Whether it did or not it further highlights that Mr R was getting cash from multiple lenders. And it looks to me like he was borrowing to repay other lenders which is a sign of financial difficulties.

I uphold Loans 4 and 5 as well as Loans 6 to 9 and Loans 13 and 14.

Putting things right

Lending Stream shouldn't have given Mr R loans 4 to 9 and loans 13 and 14. These have been repaid. Lending Stream should add together the total of the repayments made by Mr R towards interest, fees and charges on these loans, including payments made to a third party where applicable, but not including anything Lending Stream have already refunded.

Lending Stream should calculate 8% simple interest* on the individual payments made by Mr R calculated from the date he originally made the payments, to the date the complaint is settled and the refund plus the additional interest should be paid to Mr R.

Lending Stream should remove any adverse information Lending Stream has recorded on Mr R's credit file in relation to these loans save that Loans 6 to 9 ought to be removed from the record completely. I say that because Lending Stream accepted the basis of the upholds for loans 6 to 9 which was repetitive lending for which we usually direct that the loans are removed.

*HMRC requires Lending Stream to take off tax from this interest. If Mr R asks Lending Stream for a certificate showing how much tax it has taken off, it should provide this.

I've considered whether the relationship between Mr R and Lending Stream might have been unfair under section 140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed should be carried out for Mr R results in fair compensation for him in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

I uphold the complaint in part and I direct that Gain Credit LLC trading as Lending Stream does as I have outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 January 2026.

Rachael Williams
Ombudsman