

The complaint

Miss P has complained that Inclusive Finance Limited trading as Creditspring ("Creditspring") gave her credit without properly considering her finances.

What happened

Miss P was granted a number of fixed sum credit agreements that potentially allowed her to drawdown two loans within a 12-month period. The second loan could only be drawn down once the first had been repaid. The loans were interest free but there was a monthly membership fee which Creditspring charged.

A summary of borrowing— based on the information provided by Creditspring of the agreements, drawdowns and membership fees can be found in the table below. In total Miss P took 10 drawdowns.

Membership number	drawdown number	drawdown amount	drawdown date	monthly membership fee	monthly loan amount (not including membership fee)
1	1	£250	06/12/2021	£8	£41.66
	2	£250	10/04/2022		
2	1	£500	09/11/2022	£10	£83.33
	2	£500	06/04/2023		
3	1	£500	10/10/2023	£14	£83.33
4	1	£500	20/10/2023	£14	£83.33
	2	£500	20/11/2023		
5	1	£500	22/12/2023	£14	£83.33
	2	£500	05/07/2024		
6	1	£1,000	20/09/2024	£28	£166.66

A statement of account hasn't been provided, so I don't know when the agreements were repaid. But Creditspring has said the third agreement was repaid after six days and Miss P has had problems repaying her final drawdown of funds and the account has now defaulted and been passed to a third-party collection agency.

Following Miss P's complaint, Creditspring explained it wasn't going to be upholding the complaint because the checks it conducted showed Miss P could afford the repayments. Unhappy with this response, Miss P referred the complaint to the Financial Ombudsman.

An Investigator reviewed the complaint, and in his latest assessment he partly upheld the complaint about memberships 3 to 5. As there wasn't any agreement by Creditspring the complaint was passed to me to decide. I then issued my provisional decision explaining the reasons why I was intending to not uphold Miss P's complaint.

Both parties were asked for any further submissions, but these needed to have been received by 5 December 2025. Creditspring didn't respond but Miss P provided her reasons as to why she disagreed with my provisional decision and I've summarised her response below.

- Miss P reiterated she couldn't obtain bank statements and the fact her account had been closed was evidence of her severe financial difficulties.
- Creditspring ought to have identified her vulnerability as per CONC 2.2.6G.
- At the time of lending Miss P was having mental health problems as well as struggling with a gambling addiction – and Miss P provided evidence to show this.
- Creditspring had an obligation to not just carry out checks but also consider her vulnerability as per CONC 5.2A.4R
- There was a pattern of repeated borrowing and this ought to have led to further checks – instead Creditspring granted membership 6 which she had already shown payment difficulties.
- Miss P set out what regulatory failures there were including that the relationship was unfair – under S.140A, and CONC 5.2 had not been adhered to.
- Miss P says a fair outcome would be for membership 3 – 6 to be refunded.

A copy of provisional findings follows this and forms part of this final decision.

What I said in my provisional decision:

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 general approach to complaints about unaffordable/irresponsible lending - including all of the relevant rules, guidance and good industry practice - on our website. And I've used this approach to help me decide Miss P's complaint. Having carefully considered everything I've decided not to uphold Miss P's complaint in part. I'll explain why in a little more detail.

Creditspring needed to make sure it didn't lend irresponsibly. In practice, what this means is it needed to carry out proportionate checks to be able to understand whether Miss P could afford to repay any credit it provided.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for checks to be less thorough – in terms of how much information is gathered and what is done to verify it – in the early stages of a lending relationship.

But we might think more needed to be done 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 firm to be able to show that it didn't continue to facilitate loans to a customer irresponsibly.

I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Miss P's complaint.

Membership 1 and 2

The Investigator didn't uphold any of the drawdowns that Miss P took under these agreements because he concluded the checks carried out by Creditspring were proportionate. Miss P agreed with this, and I've looked at the information provided by Creditspring and I agree with the Investigator's findings – there wasn't any cause for concern, and it made fair lending decisions.

I do not uphold Miss P's complain about the first two agreements.

Membership 3

Creditspring says that Miss P declared a monthly income of £2,830 and it has said that it went about cross checking this with a credit reference agency. It hasn't shown that it made any adjustments so from that I am taking it to mean Creditspring was satisfied Miss P's declared income was broadly accurate.

On top of this, Miss P was also asked about her rent which she said was £450 per month. Creditspring asked her for details of other costs such as food, transport and utilities – to name a few. These were taken as part of a range so for example £300-£399 – and Creditspring has confirmed that it would use the top of the range when looking at Miss P's application.

Miss P declared her other expenses came to £1,946 per month. With a maximum monthly payment due of £97.33 (loan and membership fee) the agreement appeared affordable. As well as assessing Miss P's income and expenditure, Creditspring, also carried out a credit search and it has provided the results it received from the credit reference agency.

The credit search results revealed that Miss P wasn't insolvent and had no County Court Judgements. Creditspring was aware that in the past Miss P had defaulted on an account – the most time that had occurred was 79 months before the start of this membership. But given the time that had elapsed I don't think that the default would've been overly concerning to Creditspring to the extent that the default ought to have predicated further checks.

I agree with the Investigator insofar as there is evidence that Miss P took further credit between the start of her second membership and this third one. Her number of active loan accounts had increased from 4 to 8. I've thought about this because the Investigator said the increase, and a lack of clear information from Creditspring about the types of active accounts Miss P had (beyond saying whether they were loan or credit / charge card) meant perhaps further enquiries were needed.

But I disagree, there is no requirement within the regulations for a lender to carry out a credit search let alone one to a specific standard. Different lenders will ask for and review different information before lending. Perhaps Creditspring's checks aren't as detailed as what another lender may do – but that alone isn't a reason to say that further checks were needed because it didn't contain all the information that we would perhaps like. Indeed, the information it did have to hand suggested that Miss P was on top of her payments and wasn't likely having financial difficulties

The Investigator also said that perhaps more checks were needed especially because in May 2023 Miss P when repaying a previous drawdown she had requested some help. There doesn't appear to have been any other repayment difficulties – up to this point in time, and as such I don't think the need for one month's support some five months before this agreement was entered into would've led Creditspring to conclude that Miss P was in current financial difficulties.

So, while the Investigator has used wider information provided by Miss P which demonstrated she was borrowing from payday lenders at the time this membership was granted – which may well be the case. But I'm satisfied, taking account of what I've seen that Creditspring carried out a proportionate check and the checks showed the payments were affordable. I am therefore not upholding Miss P's complaint about this membership.

Membership 4

This membership started 10 days after the start of third membership and indeed four days after Miss P had settled the previous one.

Creditspring carried out the same sort of checks and it received the same sort of answers in relation to the income, expenditure and the credit check results were almost identical. This isn't surprising consider the proximity of the previous application.

The information Creditspring gathered showed this membership to be affordable and there was nothing further within the credit check that would've promoted Creditspring to consider that Miss P was having financial difficulties or was reliant on credit.

It therefore follows that for the same reasons I've provided above, that I do not intend to uphold the complaint about this agreement.

Membership 5

This was now the third new membership account within the last three months and although I don't have a statement of account, given the start dates of the agreements it is likely that Miss P had spent the majority of the last two years indebted to Creditspring. These are further factors that I think by now Creditspring needed to have considered before entering into further agreements with Miss P.

Creditspring doesn't appear to have adjusted the types of checks it carried out despite the ongoing relationship. It once again cross checked the declared income Miss P had provided, took a range for her outgoings and then conducted a credit search.

The credit search results showed no further defaults or any new missed payments but did show that Miss P had continued to obtain further credit. I do think by now Creditspring ought to have taken a closer look at Miss P's finances before granting this membership.

However, although I've concluded further checks were carried out that doesn't mean that the complaint is upheld. I would still have to be satisfied that even if Creditspring would've carried out further checks than it would've likely discovered the drawdowns weren't affordable for Miss P.

There are a number of ways that Creditspring could've gone about checking Miss P's finances more closely. It could've asked for copies of bills, payslips or her bank statements – but there was no set list of information that it had to gather.

Miss P has told us that she can't obtain the bank statements from the account that she had at the time this facility was granted. But she has been able to provide details of payday loans that she had outstanding as well as a credit file.

But as Creditspring carried out a credit search at the time, I don't think it would be fair or reasonable for them to have reviewed her credit file in full – after all it was entitled to rely on the information that it had been given unless it knew that it wasn't accurate – and there wasn't anything to suggest what it was told wasn't right or fit for purpose.

I can see from the information provided Miss P had at least one outstanding payday loan at the time this membership was granted – which Creditspring may or may not have known about from the credit search. But even if it didn't, I can't say based on the evidence that I have to hand that Creditspring shouldn't have approved this facility as a result of one payday loan which she had at the time.

I am therefore also not upholding this membership.

Membership 6

This final agreement was granted in September 2024, and Creditspring's checks once again indicated the membership was affordable. However, this was the largest capital amount Creditspring had advanced and I can see that on several occasions Miss P had difficulties repaying the fifth membership – in February, April and May 2024.

Given the ongoing relationship, difficulties repaying, this being the largest loan and Creditspring not appearing to adjust their checks for the longer the agreements have continued have led me to conclude the checks it carried out before this membership were neither fair nor proportionate.

As before I don't have bank statements for Miss P – so I can't verify her income or any of her other outgoings. And the information she's provided about her other payday lending shows that there wasn't any outstanding when this facility was approved. The credit report she has provided is from a few

months before the final loan – so I don't know what accounts were still running at the time or what the balances were.

As it stands, I don't have enough to say that had further checks been carried out by Creditspring it would've likely discovered this membership and therefore drawdowns was unaffordable for her.

An outstanding balance does remain due on this final loan, and while a gesture of goodwill was made in the final response letter that no longer appears to be available. If Creditspring still retains ownership of the balance it should treat Miss P fairly and with forbearance.

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.

I've thought about what Miss P has provided and having done so I'm not persuaded to alter the outcome that I reached in my provisional decision which I set out above. I'm firstly, going to address some general concerns about the regulations that Miss P has said Creditspring has breached.

I've also thought about Miss P's reference to CONC 2.2.6R – but as far as I can see there was no agreement for Miss P to pay a charge that may have become payable for an optional product. As such, I'm not persuaded that this provision is relevant to the circumstances of this case and I've not considered this point further.

And while I notice Miss P has referenced CONC 6.2, CONC 6 is to do with post contractual requirements once a credit agreement is in force. CONC 6 does not apply in the circumstances of Miss P's arguments as she entered into six separate and distinct memberships, rather than a single revolving credit type facility. As this is the case, the applicable section of CONC for the purposes of my consideration of Creditspring's checks is CONC 5.2A. I've therefore considered Creditspring's actions against CONC 5.2A.

I also agree with what Miss P says about Creditspring needing to carry out proportionate checks – after all this was its regulatory requirement – and I've set out below (as well as in the provisional decision) my thoughts on this.

But I've also considered CONC more widely as well given the additional information Miss P has provided in relation to her gambling and her mental health and how this may have impacted her during the course of the lending relationship. It is also worth noting that CONC 2.10.4 says;

A firm should assume a customer has mental capacity at the time the decision has to be made, unless the firm knows, or is told by a person it reasonably believes should know, or reasonably suspects, that the customer lacks capacity.

As such, while I'm sorry to hear about Miss P's mental health problems and it couldn't have been easy for her to tell us about them. I'm satisfied Creditspring wasn't aware of them and as this is the case, it can't have taken this into account, or make any adjustments for this, when deciding whether to lend to Miss P.

This is especially true for membership 3 and 4 where I think the checks carried out were proportionate.

Membership 3 and 4

I'm satisfied based on the checks Creditspring carried out at the time that these were proportionate to the circumstances of Miss P's application. These checks didn't indicate either Miss P was or likely having financial difficulties and so wasn't in a position to afford these memberships. Which bearing in mind the loans didn't attract any further fees means that it was reasonable for them to be advanced.

As such, I'm satisfied that Creditspring didn't need to undertake any further checks into Miss P's circumstances. In my view, it was fully entitled to rely in the information it gathered.

I accept that Miss P may have been registered with GAMSTOP at the time. However, this wasn't on any record that Creditspring could reasonably be expected to have accessed. So, it didn't know and couldn't have known this by carrying out a proportionate check – which for the reasons set out above and in the provisional decision I'm satisfied it did do. As such, I am still not upholding Miss P's complaint about membership 3 and 4.

Membership 5 and 6

For the reasons I've set out in the provisional decision, I didn't consider that the checks carried out by Creditspring were proportionate when it granted these memberships. But that doesn't mean the complaint ought to be upheld.

In order to uphold Miss P's complaint, not only do I need to be satisfied that it failed to carry out sufficient checks, I would also have to be satisfied that Creditspring carrying out such checks would have shown it that the repayments weren't affordable for Miss P. And for the reasons I gave as I wasn't persuaded that better checks would've shown Creditspring the agreements were unaffordable for Miss P.

It worth me saying here that I only mentioned the bank statements in the provisional decision because it's usually the easiest way for me to now consider what Creditspring may have seen had it taken steps to verify Miss P's circumstances at the time – such as her income and expenditure.

But obtaining bank statements is only one method Creditspring could've gone about verifying Miss P's circumstances at the time. It could have done other things - for example to check her pay it could've asked for a payslip and for housing costs it could've obtained a copy of a tenancy agreement or mortgage agreement. Or any other documentation it felt was needed.

As such for both agreements, I don't have any supporting evidence to show what Creditspring may have seen had it made better checks and it's for that reason I not persuaded to uphold either of these memberships despite Creditspring not doing enough before these were granted.

I have however, considered what Miss P said - that she had problems repaying the fifth one and so it ought to have been clear to Creditspring that membership six wasn't sustainable. To be clear, I have placed some weight on the missed payments Miss P had in repaying membership 5. But even taking this repayment record into account, I still felt that Creditspring needed to do more to justify that it made a fair lending decision.

Having carefully thought about the new evidence provided, I've not been persuaded to change my mind about the outcome that I reached in my provisional decision. I still think Creditspring carried out a proportionate check before membership 3 and 4 were granted and these showed that any funds advanced could be repaid.

However, I think that further checks were needed prior to membership 5 and 6 being approved to check Miss P's affordability. But I'm still not in a position to say that it's more

likely than not further checks would've shown Creditspring that those loans were unaffordable. As such I am not upholding Miss P's complaint about any of the lending.

Finally, I've also considered whether Creditspring acted unfairly or unreasonably in any other way including 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 Creditspring lent irresponsibly to Miss P or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons I've explained above and in the provisional decision, I'm not upholding Miss P's complaint.

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

Robert Walker
Ombudsman