

The complaint

Miss C complains that Valour Finance Limited trading as Savvy.co.uk (“Valour”) approved a loan for her in January 2025 which she says she could not afford to repay. Miss C says that Valour did not assist her with the situation when she was unable to pay.

What happened

Miss C took one loan to cover a medical cost in January 2025. It was for £900 repayable over ten months at £180 each month which meant that the total to repay was £1,800. The loan remains outstanding and the recent Statement of Account (SOA) we’ve received shows that Miss C is paying £20 when she can.

I was sorry to read of Miss C’s recent health issues.

After Miss C had complained she received Valour’s final response letter (FRL) then referred her complaint to the Financial Ombudsman Service where one of our investigators did not uphold her complaint. And he indicated that what Miss C had described as being Valour’s ‘30 day’ breathing space was what he would have expected Valour to do to assist her. Miss C disagreed.

After the complaint had been referred to me, I asked Valour for additional account notes and further recorded calls. And as Miss C had said she’d taken other loans with Valour I asked about that. It did not inform us of any other loans. Miss C has not sent us evidence of other loans with Valour.

Plus, I asked Valour whether Miss C’s loan record with a sister company would be records it could have seen. It told us: *‘We are Savvy.co.uk and Savvy Loans trading as [other company name] loans is a separate company.’*

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.

We’ve set out our general approach to complaints about unaffordable/irresponsible lending - including all the relevant rules, guidance, and good industry practice - on our website. Considering the relevant rules, guidance, and good industry practice, I think the questions I need to consider in deciding what’s fair and reasonable in the circumstances of this complaint are: Did Valour complete reasonable and proportionate checks to satisfy itself that Miss C would be able to repay in a sustainable way? If not, would those checks have shown that Miss C would have been able to do so?

Valour had to think about whether repaying the loan would be sustainable. In practice this meant that the business had to ensure that making the repayments on the loan wouldn’t cause Miss C undue difficulty or significant adverse consequences. That means she should have been able to meet repayments out of normal income without having to borrow to meet the repayments, without failing to make any other payment she had a contractual or statutory obligation to make and without the repayments having a significant adverse impact on his financial situation.

In other words, it wasn't enough for Valour to simply think about the likelihood of it getting its money back, it had to consider the impact of the loan repayments on Miss C. Checks also had to be "proportionate" to the specific circumstances of the loan application.

In general, what constitutes a proportionate affordability check will be dependent upon several factors including – but not limited to – the circumstances of the consumer (e.g. their financial history, current situation and outlook, and any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they are seeking. Even for the same customer, a proportionate check could look different for different applications.

In her complaint form Miss C has said:

'For this period our joint income averaged about £3700 a month....

My living expenses were roughly: mortgage £600. Council tax £150. Utilities and bills £250. Transport costs £400. Clothes £200. Food, toiletries etc £600. [Medical procedure] costs vary from month to month but the average is around £200 a month. Child expenses £350. Other debt repayments £1,750. Total £4500 per month.'

The FRL which both parties have seen, set out the figures provided and assessed during the recorded call with the Valour representative in January 2025. It summarises the position in that FRL as

'The assessment demonstrated a total monthly income of £3599.44 and a total monthly expenditure of £2275.00, including your existing debt repayments.

This means that your available monthly surplus was £1324.44.

Your loan contractual payments were £180.00 per month meaning even with our loan repayment, you would have £1144.44 leftover each month.'

Having listened to the recorded call where the Valour representative was checking Miss C's credit files and asking Miss C detailed information about the facts she had provided on her application form, then I disagree with Miss C's submissions.

The Valour representative was able to see from the bank statements she looked at through Open Banking that the last three months' worth of net salary ranged from £3,599 to £4,758.

Miss C informed the Valour representative that the £560 a month for the mortgage was shared as were the bills. She had no dependents. She had a vehicle and provided the monthly costs for that including insurance, road tax, and fuel. The Valour representative asked Miss C about a £1,000 loan she'd taken earlier in the month (January 2025) and so it was aware of all the credit accounts. Miss C was asked about older defaulted accounts and she explained that these had been paid off.

The Valour representative calculated that Miss C had extra left over each month and when asked what she did with the extra she said that she saved it so that they could afford the medical procedures.

I have reviewed the information Valour obtained from the credit file search it did and the other information it has explained to Miss C in the FRL. The recorded call was a detailed analysis of Miss C's financial situation. The level of borrowing Miss C had was a manageable amount in relation to her income. There were no recent repayment issues towards other lenders.

I consider that Valour carried out proportionate checks and in fact were detailed in their research before lending.

Miss C has said that Valour '*pushed*' her into taking out a £900 loan rather than a £300 one. I have listened to the January 2025 recorded call with a Valour representative and I heard that Miss C was offered a number of options, together with the repayments each month for

each option. I heard that Miss C spoke to her partner and they agreed that it was better to take out more than less. Miss C chose the £900 option being offered. So, I do not accept Miss C's submission on that point.

Miss C has referred to other loan complaints made which have been successful for loans taken around this time. We look at them all individually.

I do not uphold the complaint.

Fair treatment

Miss C has described:

'They have completely lacked support and when you reply to any emails they say the inbox is unmonitored. The only thing they have done to help is place my account on a 30 day hold but this isn't enough to get on top of all the pay day loans I have.'

I listened to one additional recorded call after the loan had been approved and it was to check in with her as the account was in arrears. Once the representative had realised a complaint was recorded and still being investigated on the file he apologised for calling in error and that was the end of the call.

I asked for additional account notes, but I've not received any from Valour.

Miss C has confirmed that Valour did give her a 30 day breathing space and that is what I would have expected it to have offered. And I note that Miss C has taken advice from a third-party advice agency.

On the evidence I have from both parties I do not consider that Valour has treated Miss C unfairly. I've also considered whether Valour acted unfairly or unreasonably in any other way and whether the relationship might have been unfair under section 140A of the Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think it lent irresponsibly to Miss C 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

My final decision is I do not uphold the complaint.

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

Rachael Williams
Ombudsman