

The complaint

Fairscore Ltd, trading as Updraft, provided Mr W with the following two loans:

Details	Date	Amount	Monthly repayments	Term
Loan one	November 2022	£6,000	£184.55	48 months
Loan two	July 2023	£7,200	£210.91	60 months

Mr W says the credit was provided irresponsibly.

What happened

Mr W complained to Updraft about both loans. He says that its checks weren't reasonable and a more thorough check would have revealed that he had a gambling addiction.

Updraft responded to Mr W's complaint. It didn't think it had done anything wrong when it approved loan one, but upheld his complaint with regards to loan two. To put things right following its decision on loan two, Updraft refunded all interest Mr W had paid and confirmed no further interest would be charged.

Mr W remained unhappy about the provision of the loans and didn't think Updraft had done enough to put things right with regards to loan two.

An investigator looked into the merits of the complaint. In summary they didn't think Updraft needed to do anything more. As Mr W disagreed, he asked for an ombudsman 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr W's case.

Having done so, I'm not upholding Mr W's complaint. I'll explain why.

For loan one, I think the checks Updraft did before providing the credit were reasonable and proportionate given the size of the loan and what it knew about Mr W's financial situation.

Updraft considered information Mr W provided in his application, verified his income and gathered information from a credit reference agency (CRA) before deciding to lend. Its checks suggested Mr W had a sufficient disposable income after his essential spend and existing credit commitments.

The CRA checks showed Mr W had existing debt of around £11,000 and suggested he was managing his accounts well, as there were no recent adverse markers reported. There had been a default recorded around three years prior to the application, which Updraft considered historic.

I've reviewed the information referred to above and completed my own affordability assessment.

Having done so I am comfortable that Updraft took a reasonable approach. It used verified figures where available, and reasonably calculated figures where they weren't. This included repayments towards existing debt and cost of living expenses. Where there were differences between what Mr W had declared and the results of its own checks, Updraft used a 'worst case' figure when assessing affordability.

Mr W has argued that Updraft should have gone further with its checks, because he was regularly transferring money from his current account to another account in his name. This money was then used for significant amounts of gambling. He has supplied evidence of this.

I'm sorry to hear of Mr W's gambling and thank him for his openness.

I have considered this carefully, but I don't think Updraft needed to perform any further checks before agreeing to lend, given what its credit checks showed. So, while I appreciate Mr W's strength of feeling, I don't consider it would be fair to place weight on the content of those bank statements in determining whether Updraft lent to him fairly.

This means I don't think Updraft did anything wrong when it provided loan one to Mr W.

As Updraft has upheld Mr W's complaint about loan two, there is no requirement for me to investigate the lending decision, but I need to ensure that they have treated Mr W fairly with their redress.

Our usual approach for cases of irresponsible lending, is that the lender, Updraft in this case, shouldn't be able to charge any interest, fees or charges under the credit agreement. But it is fair for the consumer, Mr W here, to repay the amount he borrowed.

I'm satisfied that Updraft's approach is consistent with this. It's explained that it has refunded all interest back to the account, reducing the capital balance, and set the interest rate to 0%, so no further interest will be charged.

When the remaining loan balance has been repaid in full, Mr W can check with Updraft that it has removed any negative markers from his credit file.

I've also considered 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 Updraft lent irresponsibly to Mr W with regards to loan one or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr W hoped for. But for the reasons above, I'm not asking Updraft to do anything more.

My final decision

My final decision is that I'm not upholding Mr W's complaint about Fairscore Ltd, trading as Updraft.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 May 2026.

David Barker
Ombudsman