DRN-6050359

Financial Ombudsman Service

The complaint

Mr T complains that PDL Finance Limited trading as Mr Lender lent to him irresponsibly four times between April 2022 and January 2025.

What happened

The loans ranged from £200 to £790. There were significant gaps between Loans 1 and 2 and Loans 3 and 4. The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

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 T 's case.

I've decided the four loans were provided fairly because:

- I think the checks Mr Lender did before providing the credit were reasonable and proportionate given the value of the loans it offered, combined with there being several lending chains and what it knew about Mr T's financial situation.
- Mr Lender's checks showed that he was living at home with his parents, that he earned a regular salary having used the TAC credit reference agency tool to verify the sums received. And it did a credit search which showed he had no outstanding 'Advances against Income' loans, he had no recent delinquent accounts, or any recent insolvency markers.
- I've read that initially our investigator considered that a couple of late repayments on other existing loans may have warranted Mr Lender doing further checks. Mr Lender was right to obtain credit checks if it wanted to and then was acting reasonably to rely on the information it received. And even if it had been made aware of a couple of late repayments on other debt (which I do not think that it was), that would not have been enough for a lender like Mr Lender to consider deeper checks were needed. The checks Mr Lender carried out for each loan were proportionate, which is what the regulatory framework expected.

- I can see from the Statement of Account for Loan 3 that Mr T took longer than was originally scheduled to repay it. But there was a gap of over six months before Mr T approached Mr Lender again. And so that break in the lending chain leads me to conclude that the checks it carried out at Loan 4 were proportionate.
- Based on the information Mr Lender gathered and what it knew about Mr T 's circumstances, there was nothing to suggest Mr T was unable to sustainably repay

what he was being lent.

I don't think Mr Lender acted unfairly in any other way. This means I don't think Mr Lender did anything wrong when it provided the loans to Mr T .

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 Mr Lender lent irresponsibly to Mr T 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 T hoped for. But for the reasons above, I'm not asking Mr Lender to do anything to put things right.

My final decision

My final decision is I do not uphold his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 March 2026.

Rachael Williams
Ombudsman