

The complaint

Miss M complains that Fairscore Ltd trading as Updraft should not have given her a personal loan in January 2024. She says she already had high levels of borrowing, including two existing loans with the same business and other credit. She says proportionate checks would have shown the new loan was not sustainable. She wants the interest and charges she paid on the loan refunded and her credit file put right.

What happened

On 17 January 2024 the business gave Miss M a personal loan. The amount of credit was £8,200. The annual percentage rate was 26.7%. The term was 48 months. The monthly repayment was £266.88. The total payable shown in the file is £12,817.90. The loan was later repaid early in September 2025.

Miss M said that at the time of this loan she already held two loans with the business and she also had other borrowing. She said she had taken out a further large loan with a different lender two days before the application. She said her monthly debt payments were already taking most of her take home pay, including two existing repayments to the business of about £275 and £181 a month and other regular loan and credit card payments. She said the business had access to her open banking and should have taken account of her actual spending and committed payments. She also said her gross salary at the date of this application was lower than a later salary recorded in the file.

The business said it carried out proportionate checks before it lent. It said Miss M provided application information, she linked her main current account, and she consented to a credit search. It said open banking verified net monthly income of £2,542.83. It said it used modelled figures for household costs where higher than the figures Miss M gave and it took account of the credit file at the time. It said unsecured balances were about £23,582, revolving credit use was about 53%, there were no arrears or returned payments and accounts were being run in good order. It said the loan was for consolidation and that within 48 hours Miss M used the funds to settle the two existing loans with the business and to make a payment to a credit card. It said the loan then ran in an orderly way to early settlement.

Our service later said the checks looked reasonable and proportionate for this loan. Using the information the business had at the time, including verified net income from open banking, Miss M's housing position as recorded, and the credit file, we said the business's assessment showed a significant monthly surplus after allowing for existing commitments, essential costs, and the new payment. We said it was fair to lend and we did not ask the business to take action.

Miss M did not agree. She said the figures in the view about her employer and gross salary at the date of application were not right and that her gross salary then was about £42,000 a year, with a later change in employment and salary from September 2024. She said the disposable income of about £962 a month used in the assessment was not a real surplus

once her actual loan and credit payments seen in open banking were considered. She asked for an Ombudsman to make a final 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.

I know money worries are hard, and I do not underestimate how stressful this has been for Miss M. Support is available through NHS services if she would like to talk to someone about how she is feeling.

When I look at a complaint like this I first think about whether the lender carried out checks that were reasonable and proportionate for the type and cost of the credit. I then think about whether what those checks showed meant it was fair to lend at the time. What is proportionate depends on the amount, the cost, the term and anything in the information gathered that points to a higher risk.

I have taken into account Miss M's point about her employer and gross salary at the date of application. I accept that her gross salary at that time was lower than a later salary recorded in the file and that her change in employment happened later in 2024. The business's assessment for this loan used a lower and more concrete figure for income, which was net monthly income of about £2,542 verified from open banking. So the correction about gross salary does not, in itself, reduce the net income used to judge affordability.

On balance I am satisfied the business carried out proportionate checks before it lent in January 2024. It collected Miss M's application information. It verified income through open banking. It carried out a credit search and it used higher modelled figures for household costs where appropriate. The credit file at the time showed unsecured balances at a level that was not, by itself, out of line with the verified income and that accounts were being paid on time. I have not seen application date evidence of arrears, recent adverse data, returned payments or other clear indicators of distress that meant the business had to go further before deciding whether to lend.

I then have to decide whether it was fair to lend given what was known. The assessment used the verified net income from open banking. Updraft obtained Miss M's expenditure via live chat – they listed what she'd declared and what they could see from the credit reference data and asked Miss M if they thought it was correct she had around £1,200 a month disposable income. She confirmed it was. They queried her declared £0 for housing costs and she told them she lived with her parents.

On that basis the assessment calculated a surplus of about £962 a month after the new loan payment of £266.88. I have thought carefully about what Miss M has said about higher monthly commitments, including two existing repayments to the business and regular payments to other credit, and that open banking showed those payments month by month. But I am deciding this on what was reasonably knowable at the time. The business has shown that it used open banking to verify income and that it used a credit file summary and its expenditure model to assess commitments and essential costs.

I have also noted Miss M's point about a large new loan two days before her application. I agree that a loan opened 48 hours earlier would not have appeared on a credit file at the time and I have not seen evidence that it was disclosed to the business before it decided what to do. I have also taken into account that within 48 hours of this loan being paid out Miss M settled the two existing loans with the business and made a payment to a credit card,

which was consistent with the stated purpose and would have reduced monthly outgoings on those accounts.

Taking everything together, including Miss M's more recent explanations, I do not think the information the business had at the point of approval showed that lending was more likely than not to make her position worse or that she could not meet the repayments in a sustainable way over time. So I think it made a fair decision to lend in January 2024.

In reaching my conclusions, I've also considered whether the lending relationship between Fairscore Ltd trading as Updraft and Miss M might have been unfair under section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've explained, I don't think Fairscore Ltd trading as Updraft irresponsibly lent to Miss M. And I haven't seen anything to suggest that section 140A CCA would lead to a different outcome here.

So I do not uphold Miss M's complaint.

My final decision

For the reasons I have explained, I do not uphold Miss M's complaint about Fairscore Ltd trading as Updraft. I am not directing the business to refund interest or charges, to pay statutory interest, to change how it has reported the account beyond what would ordinarily reflect how the account was run, or to take any other action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 15 April 2026.

Marco Silva
Ombudsman