

## The complaint

Mrs E has complained that Western Circle Ltd trading as Cashfloat (“Cashfloat”) irresponsibly provided a loan due to the amount of adverse payment information on her credit file.

## What happened

A summary of Mrs E’s borrowing can be found below:

loan number	loan amount	agreement date	repayment date	number of monthly instalments	largest repayment per loan
1	£600.00	13/06/2024	outstanding	6	£160.30

Cashfloat wrote to Mrs E with a final response letter and explained why it didn’t consider an error had been made and so it didn’t uphold her complaint. Mrs E then referred the complaint to the Financial Ombudsman. An Investigator considered the complaint. Cashfloat didn’t agree and so the complaint was passed to me. I then issued my provisional decision explaining the reasons why, with further reasoning I was intending not uphold Mrs E’s complaint.

Both parties were asked for any further comments, but these needed to have been received by 22 January 2026. Neither Mrs E nor Cashfloat responded to the provisional decision.

A copy of provisional findings follows this in smaller font 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 short-term lending - including all the relevant rules, guidance and good industry practice - on our website.*

*Cashfloat had to assess the lending to check if Mrs E could afford to pay back the amount she’d borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. Cashfloat’s checks could have taken into account a number of different things, such as how much was being lent, the size of the repayments, and Mrs E’s income and expenditure.*

*With this in mind, I think in the early stages of a lending relationship, less thorough checks might have been proportionate. But certain factors might suggest Cashfloat should have done more to establish that any lending was sustainable for Mrs E. These factors include:*

- *Mrs E having a low income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);*
- *The amounts to be repaid being especially high (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);*
- *Mrs E having a large number of loans and/or having these loans over a long period of time (reflecting the risk that repeated refinancing may signal that the*

- borrowing had become, or was becoming, unsustainable);
- Mrs E coming back for loans shortly after previous borrowing had been repaid (also suggestive of the borrowing becoming unsustainable).

*There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Mrs E. The investigator didn't think this applied to Mrs E's complaint and I agree, as there was only one loan.*

*Cashfloat was required to establish whether Mrs E could sustainably repay the loan – not just whether she technically had enough money to make her repayments. Having enough money to make the repayments could of course be an indicator that Mrs E was able to repay her loan sustainably. But it doesn't automatically follow that this is the case.*

*I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Mrs E's complaint. I accept Mrs E was only provided one loan – but that doesn't mean that proportionate checks were carried out or that the loan was likely to be sustainable for her. After all – I've listed the factors above that could lead to further checks or to a lender declining the lending.*

*But in saying that, Cashfloat recorded that Mrs E worked full time and received a monthly salary of £3,100 plus £102 of declared other income – for the affordability assessment Cashfloat used £3,200 per month. Cashfloat didn't just rely on the information Mrs E had provided, instead it used an income checking tool. Cashfloat says the results it received were positive – indicating the amount Mrs E had declared was likely to be accurate. For a first loan, this income check was reasonable.*

*Cashfloat also made enquiries about her living costs, which Mrs E declared to be £1,800 per month. It's worth saying here that Cashfloat says that it assessed Mrs E's monthly expenditure using what is called "trigger values" – taken from a well-known debt charity and these values take account of an applicant's job, location, homeowner status, to name a few factors. It also carried out a credit search to work out Mrs E's existing credit commitments – which I'll come on to later in this decision.*

*Having carried out the additional checks, Cashfloat increased Mrs E's monthly outgoings to £2,100. But even with the increased monthly costs Cashfloat had still calculated that the loan repayments were affordable for Mrs E.*

*As I said above, Cashfloat also carried out a credit search, and it has provided a copy of the results it received. I want to add that, although Cashfloat carried out credit searches, there wasn't a regulatory requirement to do one, let alone one to a specific standard. But what Cashfloat couldn't do, is carry out a credit search and then not react to the information it received – if necessary.*

*Cashfloat was also entitled to rely on the information it was given by the credit reference agency and so I've looked at the results Cashfloat received to see whether there was anything contained within them that would've either prompted Cashfloat to have carried out further checks or possibly have declined Mrs E's application.*

*The credit report showed Cashfloat that Mrs E had 14 active accounts – including a current account, mail order accounts, credit cards and what is likely an existing payday instalment loan.*

*All of bar two of these accounts were up to date with no adverse payment information recorded about them. That wouldn't have suggested to Cashfloat that Mrs E was having or likely to be having current financial difficulties. I don't think the credit check results would've prompted further checks or to have led Cashfloat to decline the application.*

*And I say this bearing in mind that while there were two credit card accounts marginally over their limit (by no more than £2) the creditors hadn't reported any arrears or adverse payment information with the credit reference agencies. I am persuaded that the small over limit amounts wouldn't have been too concerning to Cashfloat given the creditors hadn't reported any adverse information about it.*

*I've also carefully considered what the Investigator said about the number of recently opened accounts. The credit report shows that Cashfloat was aware that within the preceding six months*

*Mrs E had opened eight new accounts. Which in some situations may have been led to more in-depth checks. But of the new accounts that had been opened, one was likely an instalment loan, credit cards, mail order and some buy-now-pay later accounts.*

*Had these all been payday or instalment loans I may well have agreed with the Investigator – but the breath of different account types being opened wouldn't in my view, have automatically led Cashfloat to conclude Mrs E was reliant on credit or was having difficulties.*

*I have looked closely at the defaults that were visible within the credit search results. But all of these could fairly be classed as historic. The most recent default was from 2021 – but the rest of them as well as other missed payments were from around 2018 and 2019. Which may have signalled to Cashfloat that a number of years before the granting of this loan that Mrs E had encountered some difficulties but I don't think that would've led to Cashfloat declining the application.*

*In addition, the Investigator pointed out that two accounts were subject to a payment arrangement. These being a payday loan from 2020 and a mail order account opened in 2016. However, both of these accounts arrangements had been running for some time – indeed the markers on the credit file suggested they had been ongoing for at least two years. In those circumstances, I think it would've been reasonable for Cashfloat to have considered the monthly payments Mrs E was making towards these account – which it appears it did do – and consider that this was historic problems rather than Mrs E having immediate financial difficulties.*

*Overall, while the credit file isn't perfect – and indeed I wouldn't have expected it to be I don't think there was quite enough recent adverse payment information to have suggested to Cashfloat that Mrs E was having or likely having current financial difficulties.*

*Based on the checks that Cashfloat did do, I'm satisfied these were proportionate to the circumstances. I say this because it was the first loan where the checks indicated Mrs E would be able to afford to make her payments as and when they became due.*

*There also wasn't anything in my view which would've led Cashfloat to believe that it needed to investigate Mrs E's circumstances further before lending to her and it therefore follows I am intending to not uphold Mrs E's complaint.*

*I can see Mrs E has raised the cost of the loan and how much she has outstanding. But the industry regulator has set a cost cap for these types of loans, and looking at how much it lent, how much Mrs E has already paid and the remaining balance I'm satisfied Cashfloat has complied with the cost cap and so it doesn't need to make any adjustments to the outstanding balance.*

*I would remind Cashfloat of its obligation to treat Mrs E 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.

As neither party responded to nor provided any further comments after the provisional decision was issued I see no reason to change the outcome that I had reached. I still think Cashfloat conducted proportionate checks which demonstrated to it that Mrs E would likely be in a position to afford her repayments. I do not uphold the complaint.

Finally, 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 Cashfloat lent irresponsibly to Mrs E 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 Mrs E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 25 February 2026.

Robert Walker  
**Ombudsman**