DRN-6106296

The complaint

Miss B complains Inclusive Finance Limited trading as Creditspring irresponsibly lent to her.

What happened

Miss B took out three loans with Creditspring:

- Loan one – 24 July 2023 for £200
- Loan two – 28 June 2024 for £200
- Loan three – 10 July 2025 for £600

In her complaint to Creditspring, Miss B has said the loans were irresponsibly lent taking into account her financial circumstances. This included Miss B entering into a debt management plan (DMP) in 2023 before taking out the first loan.

Creditspring said they don't charge interest or late fees, they operate a subscription service where people pay a membership fee in order to access loans. So, Miss B's request for a refund of interest and charges couldn't be met, as none had been applied. Creditspring explained Miss B had three memberships with them, and each of those entitled her to have two interest free loans. They said adverse credit doesn't mean customers can't get more credit and they'd assessed Miss B's affordability of each loan on each application. They calculated her total disposable income and ability to repay the loans taking into account her expenses and found each loan was affordable to her. Overall, Creditspring didn't think they'd done anything wrong – but said they'd be prepared to waive outstanding membership fees, and refund previously paid ones – as a gesture of goodwill.

After receiving the outcome from Creditspring, Miss B contacted us and ultimately asked us to look into her complaint. One of our Investigators did so, and didn't think Creditspring had done anything wrong, so didn't uphold her complaint about any of the three loans.

Miss B said:

- Affordability of the loans has been treated as a mathematical analysis rather than a sustainable one as required.
- At the time of loan three, Miss B had a recent county court judgment (CCJ), prior defaults, a significant increase in declared income compared to loan two.
- There was a limited reliance on her bank statements which excluded the broader context, including entering into a DMP afterwards.
- Credit report amendment was dismissed incorrectly, because it's not entirely dependent on financial loss, but depends on whether the relationship was fair.

Our Investigator still thought Creditspring hadn't done anything wrong. He also checked with Creditspring to see if their offer was still available. But, as it wasn't, Miss B's complaint's been passed to me to decide.

I'm aware Miss B has some concerns over information we've given her when she first contacted us, and those will be addressed separately by one of my colleagues.

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 think it's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

We've explained on our website how we handle complaints about unaffordable and irresponsible lending, and I've used this to decide Miss B's case. Creditspring were required to make sure they didn't lend irresponsibly – which meant they had to gather details of Miss B's circumstances to ensure she could sustainably repay this loan. This is called carrying out proportionate checks. Our website sets out what proportionate checks are – so I've looked at what information Creditspring gathered to see if they carried out proportionate checks.

We generally say the higher the amount of borrowing, or the lower a borrower's salary, the more a lender needs to do to satisfy themselves they've gathered proportionate information. Equally, if the amount of borrowing is low, and the salary is high, then the less we'd say lenders need to do to show they didn't lend irresponsibly.

Creditspring found:

- Loan one - £1,900 net monthly income, once expenses accounted for £1,073 net monthly surplus income. Last default 15 months ago and no other negative information of significance.
- Loan two - £2,400 net monthly income, once expenses accounted for £902 net monthly surplus income. Last default 26 months ago and no other negative information of significance.
- Loan three - £3,200 net monthly income, once expenses accounted for £1,382 net monthly surplus income. Last default 38 months ago, one CCJ showing for £452 granted in the last 12 months.

So, in terms of carrying out proportionate checks, I'm satisfied Creditspring gathered enough information about loans one and two. Their checks showed the income Miss B had declared, along with her expenses, left her a sufficient amount to sustainably repay the debt. There was also no information on Miss B's credit report which I think should have given Creditspring any cause for carrying out more checks – given the amount of the lending.

I do though think Creditspring should have done more regarding loan three. Objectively the information they had at this point showed Miss B now had more income, and more net surplus each month, but also had received a CCJ within the last year. I think this is enough to suggest they should have carried out more checks so I agree with Miss B this was a point of concern.

Having gathered what I consider to be proportionate information, Creditspring then had to use that information to make a fair decision to lend.

In relation to loans one and two, Creditspring found:

- Miss B had a surplus income which would have been sufficient to service the loan repayments
- There was no adverse credit information on her credit report within the last year

Set against loans of £200 each, I think knowing what they knew at the time Creditspring have made a fair decision to lend on each occasion.

In relation to loan three because there are no rules for what checks must be done, it's up to each lender to decide what information they might need. Typically, in a situation where a lender hasn't gathered enough information about someone's circumstances, this might be asking for the bank statements.

In Miss B's case, I don't think this would have been unreasonable.

Our Investigator set out a detailed calculation to Miss B and Creditspring, so I don't need to go back over this. But this calculation shows Miss B had a disposable income of around £1,170 per month.

I understand Miss B's point that this doesn't take into account whether she could repay the loan sustainably. But the repayments for this loan were £100 per month. Alongside the monthly subscription fee, this meant it was £120 a month – around 10% of her calculated disposable income.

In reviewing Miss B's statements, I think it's likely Creditspring would have found Miss B could also afford £120 a month repayment towards the loan.

I can understand why Miss B would say the existence of a CCJ, plus previous defaults should call this into question. I agree, it should. But, the existence of a CCJ shouldn't in isolation prevent someone from accessing credit. I think it's about an assessment of someone's overall circumstances, and in Miss B's case I'm satisfied she had sufficient disposable income to sustainably repay the loan. This, while also taking into account that Miss B's last default was 38 months ago, means I don't think they've done anything wrong taking this point into account.

I also don't think Miss B's increased income should have led to a different lending decision either. Miss B was saying she was earning more than previously. This is entirely possible in the circumstances, but for me all of this comes back to her wider circumstances – including her ability to repay the loan.

Overall, while I've taken into account everything Miss B has said, I don't think Creditspring made an unfair decision to lend for any of the loans.

In reaching my conclusions, I've also considered whether the lending relationship between Creditspring and Miss B might have been unfair to her under section 140A of the Consumer Credit Act 1974 (CCA).

But, for the reasons I’ve explained, I don’t think Creditspring irresponsibly lent to Miss B or otherwise treated her unfairly in relation to this matter. And I’ve not seen anything to suggest section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

Having considered all the circumstances of this case I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss B to accept or reject my decision before 16 March 2026.

Jon Pearce
Ombudsman