

The complaint

Mr I complains that Fairscore Limited trading as Updraft (Updraft) lent to him irresponsibly by offering a loan without making sufficient affordability checks.

What happened

Mr I applied for and was granted a loan by Updraft as shown below

Date	Amount of credit	APR	Loan term	Monthly repayment
May 2024	£6,100	34.42%	48 months	£219.54

In summary, Mr I complains that Updraft offered him a loan without making sufficient affordability checks. He says had they been carried out, it would have been seen he was making constant use of his overdraft and was already experiencing financial difficulties. He believes Updraft should have refused the loan.

Updraft considered Mr I's complaint in May 2025 but didn't uphold it. They issued a Final Response Letter in July 2025 saying the purpose of the loan was debt consolidation to repay credit cards. They had verified Mr I's declared income of £26,250 via open banking and conducted an affordability assessment. Updraft said their affordability checks were proportionate to the lending type and amount and believed the lending could be repaid sustainably. Updraft said the lending decision was fair. Mr I disagreed and brought the case to this service in July 2025.

An investigator considered the available evidence and merits of Mr I's complaint. His view was that Updraft made appropriate affordability checks and the lending decision was fair. Mr I did not agree with this and so the matter has come to me 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.

We've set out our approach to considering unaffordable and irresponsible lending complaints on our website – including the key relevant rules, guidance, good industry practice and law. In short, lenders must ensure that any credit that is approved is affordable and sustainable for the borrower. I've followed our approach when deciding Mr I's complaint.

I don't doubt that Mr I has experienced financial difficulties in recent years and have read the materials he has supplied to the investigator relating to these. However, having considered all the circumstances, I find myself in agreement with the investigator. While I recognise this will disappoint Mr I, I will explain why I have reached this conclusion.

When Mr I applied to Updraft he declared an annual income of £26,250. He also provided some basic expenditure detail and linked his bank account through open banking. His

income was validated by Updraft using open banking establishing an average monthly income of £1,725.82

Updraft checked Mr I's credit file which showed no County Court Judgments (CCJs) and no Individual voluntary or similar arrangements with creditors. It showed existing unsecured debt of £12,452 and relatively good account management. I say this because there were no negative indicators such as defaults or late payments. Existing credit cards were being operated within existing credit limits.

Updraft then assessed income and expenditure for affordability. This was based on Mr I's application data, modelled data from the Office of National Statistics (ONS) and Updraft's own view of typical expenditure. These calculations indicated that for a consolidation loan with the purpose of paying off credit cards the lending could be repaid sustainably.

I must first consider whether these checks were adequate for the lending being offered. Having considered the amount and purpose of the loan (to consolidate existing debt), the validated income and the broadly positive credit file findings, I find that the checks performed by Updraft were reasonable and proportionate to the lending application.

Mr I has suggested that had Updraft referred to his bank statements they would have seen a different picture, indicating existing financial difficulties. However, having said the checks performed by Updraft were reasonable and proportionate there was nothing that would have needed them to refer to bank statements. I also note no mention was made by Mr I of any existing financial difficulties at the time of his application.

Having said the checks made were proportionate, I must then consider whether the lending decision made by Updraft was fair. In considering this, I am giving considerable weight to the declared purpose of the loan and the evidence surrounding the consideration of affordability provided by Updraft.

Mr I complained that Updraft made too few enquiries about the nature of the loan and exactly which debts were to be repaid. I am not persuaded this is the case. On his application Mr I states the loan is to consolidate existing credit card debt. It is reasonable for a lender to take the application data in good faith. Here the intent is specific, and I think it was reasonable for Updraft to have assumed this loan would be used to consolidate credit card debt and calculate affordability with that in mind.

Mr I says Updraft failed to take his wider financial position into account, specifically use of his overdraft and the presence of returned direct debits on his account. However, none of the evidence available to me suggests this would have been visible to Updraft on his credit file. In their Final Response Letter, Updraft say they noted the use of overdraft facilities and two returned direct debits via open banking and factored them into their lending decision. They say these were given less weight than the successful management of existing credit commitments.

Given the purpose of the loan was to consolidate debt it is not unusual for the applicant to have a less than perfect credit file and I am satisfied that Updraft considered these potentially negative indicators in the round.

When considering affordability, I note that more demanding figures were used by Updraft when compared to those provided by Mr I. I also note a further allowance for housing expenses was made despite Mr I stating he had no housing outgoings. These help persuade me that Updraft did turn their minds to affordability and specifically expenditure.

I have reviewed the calculations performed by Updraft on the assumption that the loan was used to consolidate existing debt. This shows a potential reduction in monthly outgoings of

around £180 if the loan was used to consolidate existing debt. These calculations show a sufficient disposable income after the new lending to sustainably repay the debt.

The loan offer specifically moved minimum payment credit card debt into a fixed term loan designed to reduce Mr I's expenditure and clear the debt over the course of the loan. Given all of the above, I think that Updraft made a fair lending decision in this case.

In reaching my conclusions, I've also considered whether the lending relationship between Mr I and Updraft might have been unfair to Mr I under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Updraft did not lend irresponsibly when providing Mr I with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

After having considered all the available evidence, I do not uphold Mr I's complaint against Fairscore Limited trading as Updraft

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 19 March 2026.

Richard Bellamy
Ombudsman