

## **The complaint**

Mr R complains that PDL Finance Limited trading as Mr Lender (“Mr Lender”) irresponsibly provided him with a loan.

## **What happened**

In August 2020 Mr R applied for a loan with Mr Lender. The application was approved, and he was given a loan for £300 to be repaid over six months with monthly repayments of £134. Mr R to this date hasn’t repaid the loan in full.

Mr R complained to Mr Lender in November 2025. He said at the time Mr Lender approved the loan, he was in an active Debt Management Plan (DMP) and referred to a gambling addiction. He feels Mr Lender ought to have been aware of this because they checked his statements at the time which had red flags that he was struggling. He said the stress of this loan alongside his gambling addiction has caused him significant mental distress.

Mr Lender responded to the complaint in December 2025. They rejected his complaint. They said Mr R was asked if he had a gambling addiction at the point of application, and he answered ‘no’. They said they didn’t have access to his full statements – only enough to verify his income, and therefore they’re satisfied they made a fair decision to lend.

Mr R remained unhappy with the response so referred his complaint to our Service. An Investigator here looked into things, but she agreed with Mr Lender that they didn’t treat Mr R unfairly. They said the checks carried out were proportionate – there was nothing within the data they received that would indicate Mr R was struggling financially or that they ought to have been aware of his gambling addiction.

In response to the view, Mr R said providing £300 to someone already in a DMP is high risk, he said his credit file would’ve shown other indicators of financial vulnerability and he doesn’t find it reasonable that Mr Lender obtained open banking information but not the statements. Because an agreement couldn’t be reached, the complaint has been passed to me to decide.

## **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.

Having considered everything, I’ve reached the same conclusion as that of the Investigator. I know this is likely to disappoint Mr R, but I’ll explain my reasoning below.

The rules and regulations in place at the time Mr Lender provided Mr R with the loan required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an ‘affordability assessment’ or ‘affordability check’.

The checks had to be ‘borrower’ focused. This means Mr Lender had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr R. In other words, it wasn’t enough for Mr Lender to consider the likelihood of them getting the funds back or whether Mr R’s circumstances met their lending criteria – they had to consider if Mr R could sustainably repay the lending being provided to him.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Mr Lender did what was needed before lending to Mr R.

When Mr R applied for the loan, Mr Lender gathered information regarding his financial circumstances. It recorded that he was earning a salary of around £1,800 per month and had not other outstanding short-term lending. His credit file appeared good – there wasn't anything adverse recorded at the time and they verified his income using open banking data. They also asked him to complete an income and expenditure assessment which showed he had enough disposable income to afford this loan.

I believe the checks Mr Lender carried out were proportionate, and considering the amount being provided to Mr R, and the information they gathered in these checks, I don't think they acted unfairly when providing him with the loan. I say this because it was for a modest amount of £300, and there were no signs financial difficulty. It wouldn't be a significant cost for Mr R to repay this credit in a reasonable period of time based on his salary and existing credit commitments.

I appreciate Mr R was also gambling at the time, and I'm sorry to hear of the impact this has had on his life. But I need to think about whether Mr Lender ought reasonably to have been aware this was going on. I understand Mr R was spending in a harmful way, but this wasn't evident yet on the credit file Mr Lender obtained at the point of application, so there was nothing to suggest the loan would be unaffordable for him.

I note Mr R's points regarding the difficult time he had – and I thank him for sharing. I understand the impact of his gambling addiction, and this loan has directly contributed to this. But it would be unreasonable for me to conclude the business was solely responsible, and as a Service, we're not punitive. We consider the obligations a business had at the time, and what is expected of them.

I've also considered what he's said about Mr Lender not obtaining the full information from the open banking service they accessed. When considering lending complaints, there are no specific checks that lenders must complete before approving an application for credit. The rules set out by the regulator merely state that checks should take place and that they should be proportionate to the type and amount of credit being provided. But there is no obligation on lenders to ask to see bank statements, so Mr Lender didn't make an error when they didn't automatically ask to see Mr R's bank statements before approving the application.

Similarly, with regards to Mr R's DMP, Mr R would've been told by the service managing that not to apply for more credit, and CRA data can take a month or more to update, so this wasn't evident at the time of application and without Mr R advising Mr Lender he was in a plan, I don't think there's any way they ought to have known.

In reaching my conclusions, I've also considered whether the lending relationship between Mr Lender and Mr R might have been unfair to Mr R under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Mr Lender did not lend irresponsibly when providing Mr R 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.

So while it'll likely come as a disappointment to Mr R, I won't be upholding his complaint against Mr Lender for the reasons explained above.

### **My final decision**

It's my final decision that I do not uphold this complaint against PDL Finance Limited trading as Mr Lender.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 22 May 2026.

Meg Raymond  
**Ombudsman**