

The complaint

Miss S has complained that 247 Money Group Limited (Money Group) unfairly provided her with credit for a vehicle.

What happened

In June 2021, Miss S entered into a finance agreement with Money Group for the purchase of a car as shown below.

Date	Amount of credit	Term	Monthly payment	Total repayable
June 2021	£4,295	60 months	£109.54	£6,572.40

In October 2024, Miss S complained to Money Group with the help of a professional representative. In the complaint, Miss S said she didn't think Money Group had lent to her responsibly. She felt it had failed to undertake a reasonable assessment of her creditworthiness at the time of the lending because she had a CCJ. She's said had Money Group completed the appropriate checks it would have found the lending was unsuitable for her.

Money Group looked into Miss S's complaint and issued a final response letter explaining it believed it had acted fairly when completing its checks. It said it had confirmed the agreement was affordable by verifying Miss S's income, making a reasonable allowance for essential expenditure using data from the Office for National Statistics (ONS), and checking the information the credit reference agencies held. Money Group has said based on the information it found, it believes its decision to lend was fair.

Miss S didn't accept Money Group's response, so she referred her complaint to our service with the help of her representative. One of our investigators looked into it, and based on the evidence available, our investigator said she didn't think Money Group's decision to lend was unfair.

Miss S and her representatives didn't accept what our investigator said and asked for a final decision on the case. As no agreement could 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 done so, I've reached the same outcome as the investigator for broadly the same reasons.

I think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did Money Group carry out reasonable and proportionate checks to satisfy itself that Miss S was able to sustainably repay the credit?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Money Group make a fair lending decision?
- Did Money Group act unfairly or unreasonably towards Miss S in some other way?

Money Group had to carry out reasonable and proportionate checks to satisfy itself that Miss S would be able to repay the credit sustainably. It needed to assess the likelihood of Miss S being able to repay the credit, as well as considering the impact of the repayments on her.

There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the monthly repayments, the cost of the credit and the customers circumstances.

Money Group says it verified Miss S' income and I can see it did this. Miss S provided evidence to Money Group of what her new salary was and what she had earned in her previous employment. She confirmed in a call with Money Group that she didn't anticipate that her disposable income or circumstances would change, and that her employment was stable.

Money Group has explained that it carried out a credit search to get an understanding of Miss S' situation before it decided to lend. However, it hasn't been able to provide evidence of these checks. It also said it applied estimates for Miss S' regular living expenses using ONS data, but again it hasn't provided evidence of this. Given this, I can't be satisfied that Money Group completed proportionate checks when lending to Miss S. So, I must now try to establish what proportionate checks would have likely shown.

There are a number of ways this can be done, but for the avoidance of doubt, I'm not making a finding here that Money Group needed to see Miss S' statements in order to complete its own income and expenditure assessment. Rather I think it needed to check how Miss S was managing her finances and establish Miss S's regular essential expenditure. That said in the absence of any other evidence, I think it's reasonable to rely on bank statements and Miss S' credit file to establish what Money Group would likely have found had it completed proportionate checks.

Miss S was able to provide us with statements for her account and a copy of her credit file covering the relevant period. Having considered these, I can see Miss S had a good credit history with no CCJs, defaults, or other adverse information recorded for the period prior to the lending. She didn't appear to be over indebted and was managing her existing credit well. Having reviewed her statements there was nothing to suggest that Miss S was unable to manage her finances.

As I've already said I don't think Money Group needed to see Miss S's statements, but it needed to understand her expenditure. However, I can see from the statements, that even after taking into account Miss S' essential living costs and expenditure on other debt, Miss S would have been left with enough disposable income a month to afford the new agreement and the other associated costs of running a car. So, I think had Money Group got a more detailed picture of Miss S' circumstances it wouldn't have found that she was in financial difficulties or that the lending was unaffordable.

Overall, I don't think Money Group has provided sufficient evidence to demonstrate it carried out reasonable and proportionate checks. But based on the information now available, I'm not satisfied that proportionate checks would have shown the decision to approve the lending was unreasonable.

I can see from the credit file provided that Miss S maintained the agreement but then fell into financial difficulties after her circumstances changed in 2023 and 2024. In response to this, Money Group agreed payment plans allowing Miss S to retain the car. This is in line with the kind of support I'd expect to see where someone is in financial difficulties. So, I haven't seen anything to suggest Money Group treated Miss S unfairly throughout the life of the agreement either.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. But overall, it's not clear enough to me that Money Group created unfairness in its relationship with Miss S by lending to her irresponsibly, or in the way it handled the account under the credit agreement. And I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I'm very sorry to disappoint Miss S, but for the reasons set out, I don't find that Miss S' relationship with Money Group was unfair, and I can't conclude Money Group treated her unfairly in any other way based on what I've seen.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 13 March 2026.

Charlotte Roberts
Ombudsman