

The complaint

Plend Limited provided Mr M with a loan for £10,000 in April 2025. Mr M says the loan was provided irresponsibly.

Mr M is represented in this complaint by Miss M but, for ease, I'll refer to Mr M directly throughout my decision.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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.

Having done so, I'm upholding Mr M's complaint. I'll explain my reasoning below:

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr M's case.

I've decided the credit wasn't provided fairly because:

- I don't think the checks Plend Limited did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Mr M's financial situation.
- If Plend Limited had done proportionate checks, I think it's likely these would have shown it was unfair to provide the credit to Mr M.
- Plend Limited verified Mr M's income as being around £5,300 net each month, much higher than the figure he'd declared at the time of the application.
- I think had Plend Limited taken steps to further verify Mr M's true income, it would've found him to be earning on average £4,020 each month. This takes into account income received from his employer and regular payments from his partner towards rent and household expenses.
- Plend Limited reviewed Mr M's open banking and calculated his essential expenditure to be on average £2,707. This consisted of on average around £346 for shopping and selfcare, £101 for communications accounts, £156 for transport, around £105 for insurance policies and £1,999 towards existing credit, leaving an average disposable income of £1,311 a month.
- But the figures Plend Limited used don't include any expenditure towards rent or household utilities, nor can any be seen within the open banking data it reviewed.

Considering Mr M declared he was renting at the time of the application, I think Plend Limited should have found out more about these expenses.

- Having looked at Mr M's bank account statements from the time, alongside considering his testimony, I can see he was committed to, on average, £259 for household bills such as gas, electricity, water and council tax. Mr M was also paying a regular payment to a third party of at least £800 a month, which he explained was for his rent as a private tenant.
- So, I'm satisfied if Plend Limited had found out more about all of Mr M's essential expenditure, it would've more likely than not found it to be around £1,059 a month higher. Making it around £3,766 a month in total and leaving him with a disposable income of around £254 a month.
- Given that the monthly repayment towards the loan being taken out was higher than the disposable income I think Plend Limited reasonably would've found him to be left with, I think it should have realised Mr M was likely to be unable to sustainably repay what he was being lent.

This means I don't think Plend Limited should have provided the loan to Mr M.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I'm awarding in this case, as set out below, results in fair compensation for Mr M in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

As I don't think Plend Limited should've lent to Mr M, it's not fair for him to pay any interest or charges under the agreement. But Mr M has had use of the funds so it's fair he pays the capital he borrowed.

To put things right, Plend Limited should:

- refund any overpayments Mr M paid towards the agreements, in excess of the total capital he borrowed. Plend Limited should add 8% simple interest per year from the date of each overpayment to the date of settlement; and
- remove any adverse markers from his credit file, if any, regarding the agreements.
- If any capital balance remains outstanding, Plend Limited should arrange an affordable and suitable payment plan with Mr M, removing any adverse markers once the debt is cleared.

If any capital balance outstanding has been passed to a debt recovery agent, Plend Limited should arrange to transfer any debt back to themselves or liaise with the agent to ensure the redress I've set out above is carried out promptly.

Finally, if Plend Limited consider tax should be deducted from the interest element of my award they should provide Mr M a certificate showing how much they've taken off so that Mr M can reclaim that amount, assuming he is eligible to do so.

My final decision

My final decision is that this complaint should be upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 April 2026.

Sean Pyke-Milne
Ombudsman