

## The complaint

Mr U complains that Gain Credit LLC trading as Lending Stream (“Lending Stream”) gave him loans without carrying out sufficient affordability checks. Had better checks been made than it would’ve seen he was already in financial difficulties.

## What happened

A summary of Mr U’s borrowing can be found below.

loan number	loan amount	agreement date	repayment date	number of monthly instalments	Largest repayment per loan
1	£270	09/07/2022	22/12/2022	6	£85.57
break in lending					
2	£100	10/04/2025	12/04/2025	6	£37.18
3	£180	12/04/2025	outstanding	6	£66.17
4	£250	01/05/2025	outstanding	6	£81.81
5	£300	03/05/2025	26/05/2025	6	£96.81

The ‘*largest payment per loan*’ column is the cost per loan, when loans overlapped the cost would be greater. For example, when loans 3 to 5 were running concurrently Mr U was due to pay Lending Stream £244.79 a month.

Following Mr U’s complaint Lending Stream wrote to him to explain why it wasn’t going to uphold it. Mr U referred the complaint to the Financial Ombudsman where the case was considered by an Investigator who partly upheld the complaint about loan one only.

No agreement could be reached so the complaint was passed to me and I issued a provisional decision explaining why I wasn’t going to uphold the complaint. Both parties were asked for any further comments, but these needed to have been received by 12 February 2026.

Lending Stream acknowledged the provisional decision, but we didn’t hear from Mr U. A copy of the provisional findings follows this and forms part of this final decision.

## What I said in my provisional decision:

*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 general approach to complaints about this type of lending - including all the relevant rules, guidance and good industry practice - on our website.*

*Lending Stream had to assess the lending to check if Mr U could afford to pay back the amounts he’d borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances of the applications. Lending Stream’s checks could’ve taken into account a number of different things, such as how much was being lent, the size of the repayments, and Mr U’s income and expenditure.*

*With this in mind, I think in the early stages of a lending relationship, less thorough checks might have been proportionate. But certain factors might suggest Lending Stream should have done more to establish that any lending was sustainable for Mr U. These factors include:*

- Mr U having a low income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);*
- The amounts to be repaid being especially high (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);*
- Mr U having a large number of loans and/or having these loans over a long period of time (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable);*
- Mr U coming back for loans shortly after previous borrowing had been repaid (also suggestive of the borrowing becoming unsustainable).*

*There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Mr U. The Investigator didn't believe this applied to Mr U's complaint and I agree.*

*Lending Stream was required to establish whether Mr U could sustainably repay the loans – not just whether he technically had enough money to make his repayments. Having enough money to make the repayments could of course be an indicator that Mr U was able to repay his loans sustainably. But it doesn't automatically follow that this is the case.*

*I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Mr U's complaint.*

### **Loan 1**

*Mr U declared an income of £1,450 per month. Lending Stream didn't just accept what it was told, it used a tool provided by a third party and adjusted Mr U's income down to £1,400.48 per month. For a first loan the check Lending Stream was reasonable.*

*For the outgoings, Lending Stream says it looked at other information such as available statistics that relate to the general population and it considered how much people typically spend with their income. Using available statistics is permitted by the regulations and I think it was fair they were used here.*

*Having carried out this further check, Lending Stream increased Mr U's living costs (excluding credit commitments). This took his regularly monthly living expenses up to a maximum of £1,251 per month.*

*Lending Stream also carried out a credit search, it has provided the Financial Ombudsman with a summary spreadsheet of the results it received from the credit reference agency. I'd also add that there is no regulatory requirement for a credit search to be carried out, let alone one to a specific standard.*

*So, I've looked at the results to see whether there was anything contained within it that would've either prompted Lending Stream to have carried out further checks or possibly have declined Mr U's application.*

*Firstly, the results didn't show any adverse credit file data – there were no defaults or missed payments. Indicating that Mr U was maintaining his repayments to his existing creditors without any obvious sign of difficulties. In my view, there wasn't anything in the information that Lending Stream received from the credit reference agency that would've led it to conclude that it needed to have carried out further checks.*

*The Investigator upheld this loan because based on Lending Stream's own checks (and after the loan payment) Mr U would've been left with only with £63 per month in disposable income which the Investigator concluded wasn't sufficient.*

*I've thought about this because Lending Stream has objected to the outcome being based on this. There are occasions when, depending on the checks carried out, what those checks showed and what a lender knew about a consumer we may well consider that £63 per month isn't sufficient – especially as the loan was due to be repaid over six months.*

*But in this case, Mr U's credit file had no adverse payment information, it was a first loan and Mr U appeared to have overestimated his monthly credit commitments. Lending Stream's research demonstrated to it these commitments were likely to be around £380 per month whereas Mr U had declared these were £500 per month. Lending Stream took a conservative approach and used Mr U's figures despite it knowing that it may have been an overestimation.*

*As such, given everything else, had Lending Stream used the figures the credit reference agency told it there would've been over £170 per month in disposable income which would've been more than sufficient. Given the repayments were modest. I am intending to conclude that Lending Stream carried out proportionate checks, and those checks showed the loan to be affordable.*

*Taking everything into account, I am intending to not uphold Mr U's complaint about this loan.*

## **Loans 2 – 5**

*There was a significant break in borrowing between these loans being granted and after loan one was repaid. As such, Lending Stream could treat Mr U's application afresh as if he was a new applicant – as such while loan 2 was his second loan it in effect became loan 1 in a new lending chain.*

*It's also worth saying the Investigator didn't uphold these loans and neither Mr U nor Lending Stream disagreed with the outcome. But for completeness I've reviewed this chain of borrowing and I've come to the same conclusions as the Investigator Lending Stream carried out proportionate checks and these checks showed the loans to be affordable even where they overlapped with each other.*

*For each loan Mr U's income was taken along with his living costs. Lending Stream crossed check this in the manner I've described for loan 1. This showed the lending was affordable. I've also looked at the credit search results provided, and although for these loans Mr U now had some defaults recorded around 18 months before the loans – which could've been related to the debt management plan he's explained. Still, it was reasonable for Lending Stream to conclude he wasn't having immediate financial difficulties.*

*These loans were taken fairly close together and at times Mr U had three loans running at the same time. But even taking this into account I think it was just about reasonable for the loans to have been advanced. As such I am not upholding Mr U's complaint about these loans either.*

## **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.

As neither party provided any further submissions, I see no reason to depart from the findings I made in the provisional decision. For the reasons set out above, I do not uphold Mr U's complaint.

But an outstanding balance does remain due on two of the loans and I would remind Lending Stream of its obligation to treat Mr U fairly and with forbearance.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Lending Stream lent irresponsibly to Mr U or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

For the reasons I've explained above and in the provisional decision, I'm not upholding Mr U's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 16 March 2026.

Robert Walker  
**Ombudsman**