

The complaint

Mr J complains Savvy Loan Products Limited trading as Tick Tock Loans (“Tick Tock”) gave him loans without carrying out sufficient affordability checks. He says that had better checks been made Tick Tock would’ve seen he was in a repeat lending cycle of borrowing and was gambling.

What happened

A summary of Mr J’s borrowing can be found in the table below.

loan number	loan amount	agreement date	repayment date	number of monthly instalments	Largest repayment per loan
1	£300	07/01/2024	19/04/2024	3	£136.96
2	£300	12/06/2024	20/08/2024	3	£132.28
3	£450	25/11/2024	20/02/2025	3	£222.26

Following Mr J’s complaint, Tick Tock considered the complaint and concluded it had made a reasonable decision to lend. However, it made an offer to pay Mr J £25 and then remove the loans from his credit file.

Mr J then referred his complaint to the Financial Ombudsman where it was considered by an Investigator, who didn’t uphold the complaint. The complaint was then passed to me, and I issued a provisional decision explaining the reasons why I was intending to uphold Mr J’s complaint in part. Both parties were asked for any further submissions, but these needed to have been received by 18 February 2026.

Tick Tock responded and I’ve summarised its response below.

- Tick Tock says the credit commitments I had worked out for loan 3 weren’t entirely correct which is why it used the figure for the affordability assessment of £441 rather than the £686 that I had used.
- The labels such as “*Casino and Gaming*” were applied in the open banking report by the third party who carried out the check. They were not determinative of the transactions purpose or could be relied upon when assessing affordability.
- There wasn’t anything from the OB report to suggest that Mr J was gambling – merely he was transferring funds to another financial services provider.
- When looking at the open banking data, the transactions are assessed in the ‘field type’ which reflected the “*economic nature of the activity*”.
- Tick Tock says the transactions that were highlighted in the provisional decision were made to a regulated business that is an e-money institution and so a transfer to the company doesn’t mean that its related to gambling.
- Tick Tock says the transfers should be looked at as discretionary expenditure.

Mr J says he accepted the findings in the provisional decision.

An extract of the provisional findings follows this in smaller font 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.

Tick Tock had to assess the lending to check if Mr J could afford to pay back the amount he'd borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. Tick Tock's checks could have taken into account a number of different things, such as how much was being lent, the size of the repayments, and Mr J'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 Tick Tock should have done more to establish that any lending was sustainable for Mr J. These factors include:

- *Mr J 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 J 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 J 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 J. The Investigator didn't consider it searched the point in the lending relationship where this applied and I agree, given the number of and the value of the loans.

Tick Tock was required to establish whether Mr J could sustainably repay the loan – 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 J was able to repay his loan 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 J's complaint.

Loans 1 and 2

Tick Tock carried out the same sort of checks before these loans were granted, and having looked at everything, I'm satisfied these checks were proportionate.

Mr J declared a monthly income of no more than £2,400. Tick Tock didn't just rely on what it was told and instead it gathered recent payslips. These payslips confirmed that for loan 1 Mr J's most recent salary was £2,402 and £2,431 before loan 2. It was therefore reasonable for Tick Tock to have relied on the income amounts it could see in the payslips, and which was confirmed by Mr J.

Mr J also declared monthly outgoings of £990 for loan 1 and £1,281 for loan 2. Tick Tock used national averages as well as information from Mr J's credit file to test the information he had provided. For both loans Tick Tock's checks showed he had sufficient disposable income to be able to afford the repayments.

I think it was reasonable, for the first loans for Tick Tock to have relied not just on what Mr J declared but also the information it received from the credit reference agencies as well as national averages to show that there was a sufficient amount of disposable income.

Before the loans were approved, Tick Tock also carried out a credit search, and it has provided the Financial Ombudsman with a copy of the results it received from the credit reference agency. I want to add that, although Tick Tock carried out credit searches, there wasn't a regulatory requirement to do one, let alone one to a specific standard. But what Tick Tock couldn't do, is carry out a credit search and then not react to the information it received.

Tick Tock was entitled to rely on the information it was given by the credit reference agency. This does mean the information Tick Tock may receive could be different to what Mr J can see in his full credit report. It also means, that due to some reporting delays had Mr J recently opened other lending that information may not have yet filtered through to the credit check results given to Tick Tock.

For loan 1, Tick Tock was told that Mr J had around £2,500 of existing debt and his four active accounts had been paid as expected. He had a credit card, a loan, a current account and a mobile phone account.

In 2018 and 2020 Mr J had some payment difficulties because three accounts had defaulted at this time. But all defaults had since been satisfied. In those circumstances it was reasonable for Tick Tock to place less weight on these defaults as an indication that he was having or likely having financial difficulties when this loan was granted.

The credit checks for loan 2 were broadly similar. It knew about the defaults and Mr J's overall debt while it had increased was still around £2,900 – which wasn't that significant compared to his income.

There had been some sporadic missed payments since loan 1 – but these had all been corrected the following month. Overall, I think it was just about reasonable based on the results for the second credit search for Tick Tock to believe that Mr J wasn't or likely having financial difficulties – solely from the credit search.

Taking account of the lending relationship, I think it was reasonable for Tick Tock to have relied on the information Mr J provided to it and the results of its own checks. There also wasn't anything to suggest that Mr J was having either current financial difficulties or to indicate the loan repayment would be unsustainable for him.

Mr C says at the time he was gambling, and he was taking out other loans in order to facilitate that. But that information wasn't reflected in either what he disclosed to Tick Tock or what it found out from its own checks. And given at this point had only taken two loans I don't think Tick Tock would've felt the need to review his circumstances more closely such as obtaining his bank statements. This would've been disproportionate given the circumstances of his applications.

So, while I know this will be disappointing for Mr J for the reasons set out above, I am intending to not uphold his complaint about this loan.

Loan 3

I've looked at loan 3 on its own because Tick Tock did do slightly different checks. Briefly, it requested the same sort of information from Mr J – it asked for his income as well as what he spent on his outgoings every month. Based purely on what Mr J told it Tick Tock the loan looked affordable.

Tick Tock also carried out a credit search – this time Mr J only had one default showing – this was from March 2020 – and his overall debt had increased again to £3,300 – so in the space of 10 months Mr J's debt had increased by around £1,000 which isn't a significant amount.

However, Tick Tock was told that at the time Mr J had two outstanding payday loans and another larger loan – the total cost to repay these each month was £686 – which is greater than the £441 Tick Tock used for its affordability assessment. But still, had the correct monthly commitment been used the loan would've likely have still looked affordable.

However, Tick Tock has confirmed for this loan that it used Open Banking to check some of the information Mr J provided and it has provided the data that it received from when it carried out this check. Tick Tock says it used this to check his income and this is why for this loan it decreased what he had declared and so for the purposes of the application it used an income of £2,377 – which was only marginally down on what had been declared.

However, Tick Tock said it then used the same statistical data to check what Mr J had said about his outgoings. But, as I've said Tick Tock confirmed it used Open banking and it provided a copy of the data that it received from the account.

And whether or not Tick Tock used the Open banking report (or not) to check the expenditure the information provided and which has been categorised by it (or its systems) show the final loan ought to have been granted.

In the month – preceding the loan application Mr J spent £1,998 On what Tick Tock's own systems show as "Recreation', 'Arts and Entertainment', 'Casinos and Gaming". Indeed, it looks like that Mr J was taking out some loans to support some of his spending.

Clearly this isn't sustainable and Tick Tock had the information available to it to demonstrate that – and I don't think Tick Tock could rely on the fact that Mr J would need to stop these transactions in order to afford this loan when there was no evidence that this would occur. Indeed, in the months leading up to the loan Mr J spends at least £999 per month on these transactions, which is not far off half his income and on top of this he also had other loans to repay and his living costs which Tick Tock accepted he had.

But had Tick Tock taken a closer look at these transactions – which is what it needed to have done then it would've seen this was connected with crypto investments and gambling.

As such, Tick Tock had the evidence available to it to suggest that Mr J wasn't in a position to take on this final loan because the repayments he was due to make weren't likely to be sustainable given his expenditure.

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.

Mr J accepted the findings that were reached in the provisional decision which included not upholding the complaint about loans 1 and 2. As such, I won't say anything else about those loans, apart from for the reasons given in the provisional decision I am not upholding Mr J's complaint about them.

In relation to loan 3, I've reached the same conclusions I reached before, for the same reasons and I've explained why below.

The credit search results weren't the main reason why I upheld the loan, but as Tick Tock commented on the figures that I used, I've re-reviewed the credit search it has provided. Mr J had a credit card with a balance of £781, he had a longer-term loan costing £150 per month and a payday instalment loan costing £193 per month.

On top of this, he had a recently opened what the credit file had classed as a payday loan. The credit file identified that the monthly repayments were likely to be £343. I accept that the balance of this payday loan account seems to have increased between September and October 2024. But in the circumstances of this complaint, the credit file was showing payments of £343 and so I think Tick Tock should've taken that figure as the likely next monthly repayment.

But as I said in the provisional decision, whether Tick Tock used the figures it had calculated or the figure I arrived at from the credit file hasn't materially impacted the decision to uphold the complaint about the third loan.

I think it's fair to say that Tick Tock disagree with the outcome about loan 3, due to the content of the open banking report – and its concerns about how this has been used can be found at the start of this decision.

I've noted what Tick Tock has said about the categorisation of the transactions and how these were applied by the third party and so shouldn't be considered. I would agree, Tick Tock appears to not have any control over how these transfers were categorised, But I didn't uphold the complaint because all of these transfers that were being made were classed as gambling. The complaint was upheld about loan 3, due to the contents of the report which Tick Tock had access to – and which it has provided showing significant amounts of money being transferred.

I can see and what Tick Tock would've seen in that merely 10 days before this loan was approved, Mr J had taken another high cost credit loan for £2,200 and then it seems he almost immediately transferred it all to another account. And as I said, Mr J shortly after receiving his November salary transferred another £999. And at the very least warned further investigation by Tick Tock.

I accept that the company highlighted was an e-money transfer provider and doesn't show that Mr J was conclusively gambling. I've concluded that based on what Mr J submitted to the Financial Ombudsman about his gambling at the time and given the amounts involved, on balance I was satisfied that these transfers were likely for gambling.

But even if I'm wrong about that. Mr J was still making these transfers on a regular basis, and so I do think it's reasonable to conclude that he would've carried out making these transfers after the loan was granted and as such would impact the affordability of the lending given his existing credit commitments and the accepted living costs.

So while, I've considered what Tick Tock has said in response to the provisional decision, I'm not persuaded that a different outcome should be reached. Ultimately, I'm satisfied that Mr J was making this payment each month – and as such it would've been consistent to include this as part of his regular outgoings. Indeed, I don't think it's right to say that Tick Tock knew about these transfers but concluded the loan was affordable on the basis that these would stop.

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

Putting things right

Tick Tock ought not to have lent loan 3.

- A. It should add together the total of the repayments made by Mr J towards interest, fees and charges on loan 3.
- B. Calculate 8% simple interest* on the individual payments made by Mr J which were considered as part of "A", calculated from the date Mr J originally made the payments, to the date the complaint is settled.
- C. Pay Mr J the total of "A" plus "B".
- D. Remove any adverse information recorded on Mr J's credit file about loan 3.

*HM Revenue & Customs requires Tick Tock to deduct tax from this interest. It should give Mr J a certificate showing how much tax it has deducted, if he asks for one.

My final decision

For the reasons I've explained above and in the provisional decision, I'm upholding Mr J's complaint in part.

Savvy Loan Products Limited trading as Tick Tock Loans should put things right as directed above.

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

Robert Walker
Ombudsman