

The complaint

Mr W complains that Chetwood Financial Limited t/a BetterBorrow (“BetterBorrow”) provided credit to him irresponsibly and that this credit was unaffordable.

What happened

In March 2023 Mr W received a loan from BetterBorrow. It was for £6,500; for a 24-month term; with an APR of 13%; and with monthly payments of £306.11. Total payable £7,346.71. No arrears accrued during the term of the loan.

Mr W complained to BetterBorrow in August 2025. He said that it was irresponsible of them to provide him with the loan and it was unaffordable for him.

BetterBorrow looked into the complaint and issued a final response letter in October 2025. They thought in relation to the loan that they had carried out appropriate creditworthiness and affordability assessments to determine Mr W’s financial circumstances. They felt that the lending wasn’t irresponsible or unaffordable; and didn’t uphold the complaint.

Mr W didn’t accept BetterBorrow’s response and therefore referred his complaint to our service.

One of our Investigators looked into it. He felt that the checks carried out by BetterBorrow were reasonable and proportionate and that approving the loan was fair. He didn’t recommend that the complaint be upheld.

BetterBorrow didn’t dispute this position but Mr W did. He said that several other lenders had upheld affordability complaints or removed adverse credit information; the level of his existing debt should have flagged to BetterBorrow that he was in financial difficulty; and he relied specifically upon his relationship with BetterBorrow being unfair to him under Section 140A of the Consumer Credit Act 1974 (“s.140A” and “CCA”).

The Investigator stated that he had considered s.140A; and there was no evidence of financial hardship when BetterBorrow granted the loan. He didn’t change what he’d recommended. Mr W asked for an Ombudsman’s decision.

As 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.

Our approach to complaints about the irresponsible and unaffordable provision of credit is set out in detail on our website. I’ve used this approach to help me decide Mr W’s complaint.

For example, I've considered the relevant rules and guidance on responsible lending set out in the Financial Conduct Authority's ("FCA") Consumer Credit Sourcebook ("CONC"). In summary, BetterBorrow needed to carry out reasonable and proportionate checks before providing the loan to Mr W to ensure they did not do so irresponsibly.

There is no set list of the checks BetterBorrow had to do. What constitutes a proportionate affordability check will depend upon a number of factors including, but not limited to, the amount, type and cost of the credit Mr W was seeking as well as his overall financial circumstances. I've kept all of this in mind when thinking about whether BetterBorrow did what they needed to do before providing the loan to Mr W.

BetterBorrow state that they conduct creditworthiness assessments prior to each decision to provide credit. They rely on a combination of credit reference agency ("CRA") data regarding income, other debt, and existing credit repayment commitments; information provided by the customer for example income; and statistical information from the Office for National Statistics ("ONS"). Where the data shows expenditure greater than the equivalent information declared by the customer, then BetterBorrow utilise the former rather than the latter.

The applicable rules and guidance do not require a lender to see full evidence of expenditure in every case. Instead the lender has discretion about how they conduct checks to satisfy themselves that lending is affordable to applicants. This includes the consideration of statistical data where it is reasonable and proportionate to do so. I think that was the case here when the loan was granted.

When Mr W applied for this loan, he declared that he was in full time employment with a monthly income of £2,230. BetterBorrow verified this through CRA checks. Mr W said that he had a mortgage.

BetterBorrow went on to carry out an affordability assessment, again using information provided by Mr W and ONS data. He had declared outgoings of £0 which BetterBorrow didn't rely upon. Mr W's assessed monthly expenditure comprised essential expenditure of £730, existing credit commitments of £746, and mortgage costs of £256. BetterBorrow also took into account the cost of the loan being £306.11; and applied a £134 buffer as part of their affordability calculation.

I think Mr W's assessed net monthly disposable income was potentially such that BetterBorrow might reasonably have obtained further information from Mr W about his expenditure. Their affordability assessment didn't take into account his non-essential expenditure.

BetterBorrow also examined Mr W's existing credit commitments. These totalled £14,869 together with the mortgage. No missed payments, defaults, arrears or County Court Judgments ("CCJs") were shown by the credit search. There were no signs of financial vulnerability. Mr W appeared to be managing his existing credit well.

Overall I think the checks carried out by BetterBorrow before granting the loan may not have been reasonable and proportionate because of the potential lack of sufficient information about Mr W's expenditure. I have sought to obtain further information from Mr W to piece together what such checks would have shown. Unfortunately he hasn't been able to supply what I'd requested. I've therefore had to base my decision upon what I do have available to me.

I am unable to see what proportionate checks would have shown had BetterBorrow completed them and therefore I'm unable to say that they treated Mr W unfairly when lending to him.

Whilst I have noted what Mr W has said about several other lenders having upheld affordability complaints or removed adverse credit information, each complaint is looked at by this service on its own merits.

I've also noted what he says about already being in financial difficulty in March 2023. I don't think BetterBorrow should reasonably have been aware of this when they granted the loan.

I've considered whether the relationship between Mr W and BetterBorrow might have been unfair to Mr W under s.140A of the CCA. However, for the reasons I've already given, I don't think I can find that BetterBorrow were irresponsible when they provided the loan to Mr W; nor that they otherwise treated him unfairly in relation to this matter. Overall I haven't seen anything to suggest that s.140A would, given the facts of this complaint, lead to a different outcome here so far as BetterBorrow is concerned.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 April 2026.

Richard Ellison
Ombudsman