

## **The complaint**

Mr P complains that My Finance Club Limited trading as Ondal (“Ondal”) failed to carry out proportionate affordability checks before it lent to him. Had better checks been made it would’ve seen that he was gambling.

## **What happened**

In July 2025, Mr P was advanced one loan of £400. This was due to be repaid 61 days later – on 30 September 2025 with one payment of £595.20. Mr P had had problems repaying the loan and based on the most recent information an outstanding balance remains due.

Ondal didn’t uphold Mr P’s complaint and so he referred it to the Financial Ombudsman. An Investigator reviewed the complaint and also didn’t uphold it. Mr P didn’t agree and I’ve summarised his responses below.

- By relying on a self-declared affordability model – this created an unfair relationship with Mr P that caused him harm.
- Mr P had problems repaying the loan which is evidence the lending wasn’t sustainable.
- The loan of this type required enhanced affordability checks which ought to have included looking at Mr P’s bank statements.
- Had bank statements been reviewed Ondal would’ve seen a number of returned direct debits, low account balance, signs of financial difficulty and gambling.
- Ondal failed to identify Mr P’s vulnerability.
- The large one-off payment required to settle the loan was unsustainable.

These comments didn’t change the Investigator’s mind and as no agreement has been reached, the case has been passed to me for a 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.

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. I’ve taken these into account when considering this complaint.

Ondal had to assess the lending to check if Mr P 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. Ondal’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 P’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 Ondal should have done more to establish that any lending was sustainable for Mr P. These factors include:

- Mr P 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 P 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 P 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 P. But this wouldn't apply to Mr P's complaint as only one loan was granted.

Ondal was required to establish whether Mr P could *sustainably* repay the loan – not just whether he technically had enough money to make the repayment. Having enough money to make the repayment could of course be an indicator that Mr P was able to repay the loan sustainably. But it doesn't automatically follow that this is the case.

Mr P declared he earned £2,900 per month. However, Ondal didn't just rely on what it was told. Ondal successfully “...*verified that your stated income matched the amount reported to your bank...*”. So Ondal didn't solely rely on the declaration but instead took steps to check it. For a first loan I think that check was fair and proportionate.

In terms of monthly expenditure, Mr P provided details about this across several different headings such as, rent, utilities, 'other', food and other credit commitments – to name a few. Ondal said a search of the electoral roll confirmed that Mr P was in rented accommodation. Ondal says Mr P's outgoings came to no more than £1,725 per month. Therefore, based on the information it had to hand, the loan repayments looked affordable as Mr P had sufficient disposable income.

For a first loan it was reasonable for Ondal to have relied on the expenditure information that Mr P provided – although it did carry out a credit search which allowed it cross check the information Mr P had declared about his ongoing credit commitments.

Ondal also carried out a credit search, and it provided the results it received from the credit reference agency. It is worth saying here that although Ondal carried out a credit search, there wasn't a regulatory requirement to do one, let alone one to a specific standard. But what Ondal couldn't do is carry out a credit search and then not react to the to the information it received – if necessary.

I am satisfied that the credit check results wouldn't have been of a concern for Ondal. Taking account of the credit search results there wasn't any indication that Mr P would likely struggle to repay the loan, and there wasn't anything to suggest Mr P was reliant on such products. And the active accounts that Ondal were aware of had been well maintained – with no missed payment markers reported.

While Ondal was aware of some defaults these had all been recorded at least three years before the loan was provided. And given the lack of any other, recent adverse payment information than it would've been proportionate for Ondal to have believed that whatever difficulties Mr P had found himself in had passed.

Mr P hasn't provided copy of his bank statements, but I've not needed them to come to a fair outcome here. But Mr P has said at the time of the loan he was gambling and I'm sorry to hear that Mr P was gambling, and I do hope he's received any help and support which he may need.

Mr P has said that due to his gambling, had Ondal seen his statements it wouldn't have lent to him. But for me to be able to uphold the complaint for this reason, I would have to be satisfied that either Ondal was told about the gambling or would've likely known about it by carrying out a proportionate check.

I'm satisfied Ondal didn't know about Mr P's gambling, but I also don't think it had yet reached the point where Ondal needed to start verifying the information Mr P was giving it. As such, it wouldn't have asked for or received his bank statements and in the circumstances its only through the bank statements that the gambling would've likely been discovered. Taking account of the circumstances of the complaint, it would've been disproportionate for Ondal to have gathered Mr P's bank statements.

I'm satisfied the checks carried out by Ondal were proportionate given the amount of credit advanced, the repayment that was due to make and the information it gathered which demonstrated that Mr P would be in a position to afford the repayment it therefore follows that I do not uphold Mr P's complaint.

Finally, I've considered whether Ondal acted unfairly or unreasonably in any other way and I've thought about 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 Ondal lent irresponsibly to Mr P 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 set out above, I'm not upholding Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 23 April 2026.

Robert Walker  
**Ombudsman**