

## **The complaint**

Mr M complains that Gain Credit LLC trading as Lending Stream (Lending Stream) irresponsibly entered into a fixed sum loan agreement with him.

## **What happened**

Mr M applied for a loan with Lending Stream. He was given a loan for £1,500. The total repayable, including the interest was £2,994.77, to be repaid over 12 monthly repayments of around £250.

Mr M complained that Lending Stream should not have provided him with the loan. He said that appropriate affordability checks hadn't been completed and if they had Lending Stream would have seen that the loan was unaffordable for him. Lending Stream didn't think that it had acted unfairly when lending to Mr M.

Our investigator didn't recommend that the complaint should be upheld. Mr M didn't agree. So the complaint has been passed to me for a final 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.

There isn't a set list of checks Lending Stream was required to complete before lending to Mr M. The rules require it to ensure it carried out proportionate checks. What is proportionate will vary with each lending decision and takes into account things such as (but not limited to): the amount of credit, the size of the repayments, the cost of the credit, the purpose the credit was taken out for and the consumer's circumstances.

Mr M declared his monthly net income to be £2,500. It is not clear from the information available whether Lending Stream verified this income. Mr M has provided us with some of his bank statements. I'm not suggesting Lending Stream needed to review Mr M's bank statements as part of any proportionate affordability assessment. But, I think the statements give a good indication of what Lending Stream could have learnt about Mr M's income had it done more. The statements show that Mr M's net monthly income was approximately £2,300 in the months leading up to the application. I consider that Lending Stream ought to have used this figure when assessing whether this loan would be affordable to Mr M.

Mr M declared his monthly outgoings to total £1,000. This was £500 for his essential living costs and £500 for his existing credit commitments. Lending Stream used statistical data to estimate Mr M's monthly essential living expenses to be £631. Mr M says Lending Stream should have used a higher figure than this in its estimations. However, I'm satisfied that Lending Stream used a realistic estimation when assessing Mr M's likely essential outgoings as it had no reason to expect Mr M was spending more than the statistical average, especially since he had declared a lower figure himself.

Lending Stream conducted a credit check at the time of the application which showed that Mr M's monthly credit commitments were £320. However, it increased this to £500 to reflect the higher figure Mr M had declared. I'm satisfied this was reasonable and allowed Mr M a reasonable buffer of funds, should his monthly credit commitments in fact be more than the credit check showed.

Mr M says that a significant portion of his income was used to fund his borrowing. He says that a previous decision issued by this service upheld a complaint he had raised where there were similar circumstances. Each complaint considered by this service is assessed on its own merits. I'm satisfied that in the circumstances of this complaint, existing monthly repayments of approximately £320 which were visible to Lending Stream on its credit check, when compared to a monthly income of £2,300 is not substantial enough to have caused Lending Stream concern. Particularly because it could see from the check that the borrowing was being managed well by Mr M.

With the above figures in mind and also taking into account the new loan repayments, Mr M would have left around £920 each month. I consider that this is a substantial buffer of funds for Mr M to spend on any emergency unaccounted for expenses. I consider it reasonable that Lending Stream thought Mr M could sustainably afford the new loan repayments. Because of this, I'm satisfied that Lending Stream made a fair lending decision when it provided Mr M with the loan.

The summary of the credit check and credit file provided show that the only recent adverse data reported on Mr M's existing borrowing appears to be an arrangement to pay for one month. However, because the debt concerned was settled the following month and prior to this lending decision, I don't think this ought to have caused Lending Stream any concern that Mr M could be in financial difficulties. I can't see anything in the data collected that would have prompted it to conduct any further checks.

Mr M has explained that he had taken out several high interest loans within a few months before this lending decision. However, the credit file he has provided shows loans opened very close to the time of this one. I consider it unlikely that these would have appeared on the credit check conducted by Lending Stream at the time. I'm not persuaded that there was clear evidence of a pattern of recent reliance on credit that ought to have concerned Lending Stream when it made its lending decision.

I note that Mr M says that he has a history of gambling. I'm not disputing the impact this can have on an individual's finances, and I'm sorry Mr M was struggling with it. However, I have not seen anything to suggest that Lending Stream either knew this, or ought to have known.

In reaching my conclusions, I've also considered whether the lending relationship between Mr M and Lending Stream might have been unfair to Mr M under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Lending Stream did not lend irresponsibly when providing Mr M the loan account, or otherwise treat him unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

While it'll likely come as a disappointment to Mr M, I won't be upholding his complaint against Gain Credit LLC trading as Lending Stream for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 May 2026.

Jenny Hiltunen  
**Ombudsman**