

## The complaint

Mrs M complains that Hastings Financial Services Limited irresponsibly provided her with a loan.

## What happened

Mrs M applied to Hastings for a loan in August 2025; the capital amount was £10,000 – repayable over a term of 48 months – with monthly repayments of around £244. The application was approved, and the funds drawn down.

Shortly afterwards, Mrs M complained to Hastings that the loan shouldn't have been approved. She set out how she'd been the victim of an investment scam, and she thought Hastings hadn't carried out proportionate checks to determine affordability or sustainability. In response, Hastings defended its decision to provide the loan; in short, it said it was satisfied that proportionate checks had been carried out. That said, Hastings did identify some failings in the level of service it had provided to Mrs M – so, it offered her a total of £150 compensation to recognise how some aspects could've been handled better.

Mrs M remained unhappy, so she contacted this Service for an independent review. An Investigator here considered what had happened; having done so, they didn't think Mrs M's complaint should be upheld. They said:

- In the circumstances, Hastings carried out proportionate checks before agreeing to lend. It had reasonably relied upon information Mrs M provided in her application; it had checked Credit Reference Agency (CRA) data, and it had carried out an affordability assessment too.
- Those checks hadn't revealed anything which suggested the loan was, or would be, unaffordable or unsustainable for Mrs M.
- As such, given the results of its proportionate checks, Hastings didn't need to conduct further checks or indeed verify Mrs M's financial position.
- With all of that in mind, Hastings hadn't done anything wrong in the circumstances of this case.

Mrs M disagreed. She said inaccurate information was used when assessing her application – for example, her income wasn't as high as Hastings had perceived – and maintained her view that checks ought to have gone further. Mrs M also reiterated that she'd been scammed into taking out the loan, and she further detailed the effect the situation was having on her. Our Investigator reconsidered in light of Mrs M's rebuttal, but they didn't change their mind. They said, in short, that Hastings was entitled to rely upon the information Mrs M provided in her application and the results of the checks it carried out. While Mrs M's comments about being manipulated to take out the loan should, of course, be investigated thoroughly, it was a separate matter to what's under consideration here.

Mrs M asked for an Ombudsman's decision. So, as no agreement has been reached, her complaint has now 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.

Having done so, at the outset, I'd like to reassure Mrs M that I have read and considered all she's said and provided. I know what's happened here means a great deal to her, and I understand why; I am truly sorry to read her testimony about being the victim of an investment scam, and the effects that's had on her.

It's important that I clarify the scope of this complaint before me too, given there are multiple facets to it. So, to be clear, this decision focusses only on Mrs M's complaint about irresponsible lending. I've not commented on any investigation into – or any complaint about – the scam aspect of what happened to Mrs M. As I understand it, Mrs M is pursuing that side of things separately.

Moving to the merits of Mrs M's irresponsible lending complaint, to begin with I'll simply state that Hastings needed to make sure that it didn't provide loans irresponsibly. That's fairly obvious, of course; so, in practice, what it means is that Hastings needed to carry out proportionate checks to be able to understand whether any lending was sustainable. It had to do that with Mrs M's specific circumstances in mind before providing any credit.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

That said, we might think a lender needed to do more if, for example, a borrower's income was low, or the amount lent was high. Additionally, the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So, we'd expect a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

Here, Hastings says it used Mrs M's declarations for her income and essential expenditure – then it applied Office of National Statistics (ONS) data to further determine her day-to-day expenses. Hastings carried out an affordability assessment, it also used CRA data to build in Mrs M's existing credit repayments, and it considered the purpose of the loan; I understand Mrs M declared that to be home improvements. Hastings says all of the information it gathered from those checks indicated the loan was affordable for Mrs M.

Looking at the results of the checks, I can see that nothing showed any recent defaults nor missed payments logged against Mrs M; no County Court Judgements or Individual Voluntary Arrangements were recorded either. Hastings has said Mrs M declared an annual income of around £27,000 – something it was entitled to rely upon and, in any event, a figure it verified using a third-party report – and, after subtracting her expenditure, the checks showed that Mrs M could sustainably afford the repayments for this loan. Broadly then, with that in mind, my view is that the checks Hastings performed were proportionate. In the circumstances, and given the results of its checks, I'm not persuaded it would have been necessary for it to request more information, or evidence, from Mrs M before the loan was approved. Put simply, I don't think the results of the checks Hastings carried out warranted further scrutiny of Mrs M's circumstances; instead, they revealed a stable financial position.

I know Mrs M has said some information Hastings relied upon wasn't entirely accurate. She's said her income figure was incorrect; it wasn't as high as the figure Hastings used in its calculations. That's an understandable concern, of course, but given Hastings took steps to verify Mrs M's income figure – and received no indication it was entirely inaccurate – I don't think it had grounds to go further.

In any event, the fact is there are no fixed checks that businesses must complete when reviewing an application for credit. The rules applicable at the time Mrs M applied purely state that checks should be proportionate to the type of lending and term of the loan. There's no requirement or obligation on a lender to review specific things such as bank statements, for example. So, I can't fairly say that Hastings was wrong to not run those sorts of checks for Mrs M; there was no regulatory condition to do that and, as I've said, I'm satisfied it was entitled to rely upon the checks it carried out in these circumstances.

On that basis, given nothing in its checks indicated the loan wouldn't be sustainably affordable for Mrs M, I can't fairly conclude Hastings irresponsibly lent. That'll be disappointing for Mrs M, I understand it isn't the answer she'll want to receive. As with any dispute though, the key point to remember here is that it's only fair and reasonable for me to uphold a complaint where I can conclude a business did something wrong. Here, for the reasons I've explained, I don't think that Hastings had reason to consider the payments for this loan were – or would become – unaffordable at the time of lending. So, for the reasons I've already given, I don't think Hastings lent irresponsibly to Mrs M or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

In closing, I'll reiterate that I've not considered Mrs M's concerns about the scam itself – or indeed any investigation that is, or will be, undertaken by Hastings in that respect. Mrs M can pursue the matter separately and, if she chooses, may be able to refer to our Service about it should she remain unhappy. In respect of her irresponsible lending concerns, though, I don't uphold the complaint, and I don't require Hastings to take any further action.

### **My final decision**

My final decision is that I don't uphold Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 8 May 2026.

Simon Louth  
**Ombudsman**