

The complaint

Mr V complains that Santander UK Plc (Santander) lent to him irresponsibly by granting him a loan when he was already in financial difficulties and gambling.

What happened

Mr V applied for the following loan which was granted by Santander as shown below:

Date	Amount of credit	Loan term	Monthly repayment
April 2023	£17,000	60 months	£322.92

In summary, Mr V complains that Santander lent to him irresponsibly by performing insufficient checks prior to lending. He says, if proper checks had been made, Santander would have seen he was constantly using his overdraft and gambling. He says this combined to produce a financial situation where further lending was inappropriate. Mr V says this has caused him further financial difficulties.

Mr V complained to Santander who investigated his complaint but didn't uphold it. In their Final Response Letter dated October 2025, Santander say they conducted a thorough examination of Mr V's financial situation prior to lending, including reference to his credit file, data modelling and customer information. They said their decision had considered affordability and was fair. Mr V disagreed and brought the matter to this service in November 2025.

An investigator considered the merits of the case as well as reviewing all the available evidence. In her view, she said the checks performed by Santander were not reasonable or proportionate. But, had proportionate checks been made, they would have shown that Mr V had sufficient disposable income to afford the lending. She found that the lending had been fair.

Santander accepted the investigator's view, but Mr V did not and so the matter has come to me to make 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.

We've set out our approach to considering unaffordable and irresponsible lending complaints on our website – including the key relevant rules, guidance, good industry practice and law. In short, lenders must ensure that any credit that is approved is affordable and sustainable for the borrower. I've followed our approach when deciding Mr V's complaint.

I have considered the points raised by Mr V and thank him for the additional information he has provided to the investigator. I also thank him for the candour with which he discussed

some gambling transactions. However, having looked at the evidence available to me, and recognising it will disappoint Mr V, I agree with the investigator's findings. I will explain why I have reached this conclusion.

When Mr V applied for the loan Santander asked for his net monthly income and monthly outgoings. Mr V said these were £3,500 and £1,000 respectively. He said the purpose of the loan was to buy a car. I have seen nothing in the evidence available to me to suggest that Santander verified the declared income.

Santander did take the outgoings declared by Mr V and applied data modelling tools based on the Office for National Statistics (ONS) dataset. This process indicated a higher set of likely outgoings. These were applied by Santander in their later calculations of affordability.

Mr V's credit file/bureau data was then examined. The credit data I have seen appears to be a limited credit file. It showed existing unsecured debt of around £17,000 but did not give granular detail on when the credit had been obtained or the nature of that credit. Also, the period of time over which account management was detailed in the report was very short (one month).

However, the credit report did show there were no County Court Judgments, arrangements with creditors or bankruptcies. None of the accounts shown were in arrears at the time of the lending decision.

Given the size of the lending, the fact that I have seen no evidence of income being validated and the limited nature of the credit file used, I share the investigator's view about the checks performed by Santander. I do not think they were reasonable or proportionate for the lending being offered. But, that is not enough for me to say the lending was irresponsible. I must next consider what reasonable checks would have revealed had they been performed.

I think Santander should have verified the declared income and for this amount of lending found out more detail of Mr V's actual outgoings rather than relying entirely on ONS data modelling. It is important for Mr V's understanding that I say I do not think this would require a detailed forensic examination or reference to current account statements. Income could be verified in a number of ways (e.g account turnover figures, or use of a richer credit record). I think further enquiries of Mr V re his actual outgoings (particularly given the difference to the ONS data) could have been obtained by asking Mr V for further details short of calling for his current account statements.

To recreate Mr V's outgoing at the time I have referenced the current accounts provided by Mr V as they provide the best evidence available from the time. However, I have only used these to generate groups of outgoings, not to perform a full review of his current account transactions.

I have seen the calculations performed by Santander on the basis of the ONS data set. They estimate Mr V's accommodation costs and expenses at £1,605 and his existing credit commitments at £426. This suggested he had over £1,400 available to meet the monthly repayments.

I have also performed calculations based on the current account statements rather than the ONS data. These cover the three months leading up to the lending decision. These broadly align with the investigator's finding. They shows an average monthly income of just over £4,000.

Combined credit commitments and declared expenditure average just over £2,100 over the same period. This suggests a level of disposable income such that the additional lending was likely affordable.

Mr V asks me to consider his frequent overdraft use at the time. I have said that Santander did not need to reference current account statements for this lending decision. Given this and even allowing for a richer credit file having been used, it is unlikely this granular data would have been visible to Santander on the credit file, which is what I must consider.

Mr V also suggests the level of gambling he was engaged in at the time should have prevented further lending by Santander. I have given this careful thought, but in this case, I cannot agree with him.

Having said current accounts need not have been requested, Santander would not have seen gambling entries on Mr V's bank statements. Nor would these transactions appear on the credit file. Mr V is not unique in not declaring gambling outgoings to a lender, but nonetheless he didn't declare them either.

While I sympathise with the gambling challenges Mr V faced, I don't think Santander would have seen any gambling transactions or had reason to ask further questions of Mr V. Given they had not been disclosed to that point, I think on balance of probabilities that it is unlikely they would have been declared had Mr V been asked for more details about his expenditure.

For all these reasons and given the disposable income shown by both the investigator's calculations and my own, I think the lending decision made by Santander was fair.

In reaching my conclusions, I've also considered whether the lending relationship between Mr V and Santander might have been unfair to Mr V under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Santander did not lend irresponsibly when providing Mr V with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I do not uphold Mr V's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 21 April 2026.

Richard Bellamy
Ombudsman