

The complaint

Miss M complains that Loans 2 Go Limited (L2G) irresponsibly lent to her.

What happened

Miss M was approved for a L2G loan in May 2025 for £2,000 over 24 months. Miss M says this was lent irresponsibly to her. Miss M made a complaint to L2G, who did not uphold her complaint. They said that they couldn't uphold any aspect of her complaint. Miss M brought her complaint to our service.

Our investigator did not uphold Miss M's complaint. He said L2G's checks were proportionate, and they made a fair lending decision. Miss M asked for an ombudsman to review her complaint. In summary, she said the lending was not sustainably affordable given how much of her disposable income the repayments took up, she had variable work hours which meant her income was also variable, and she fell into financial difficulty almost immediately after she took out the loan. Miss M said her earnings reduced after taking out the loan due to fewer working hours.

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.

Before agreeing to approve the credit available to Miss M, L2G needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks L2G have done and whether I'm persuaded these checks were proportionate.

The checks showed that Miss M had declared a monthly income of £2,200. L2G had managed to verify Miss M's income through a Credit Reference Agency (CRA) as £1,447.61 a month. They had also estimated her monthly expenditure to be around £1,227.51 (including the new loan repayment).

Other information from the CRA showed that Miss M was not subject to an Individual Voluntary Arrangement. And there were no County Court Judgements (CCJs) or defaults showing on her credit file.

There were total active account balances of £718 being reported by the CRA that L2G used. But the data also showed that Miss M was currently in arrears on two of her accounts at the time of the checks. And she had been in arrears at other points in the 12 months leading up to the checks, so these weren't isolated incidents. So I'm persuaded that L2G should have made further checks based on this information to ensure any new lending would be affordable and sustainable for her.

There's no set way of how L2G should have made further proportionate checks. One of the things they could have done was to contact Miss M to get an understanding of why she was in arrears on two of her accounts at the time of the checks. Or they could have asked for Miss M's bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for her.

Miss M has provided her bank statements for the months leading up to the acceptance of the loan. Miss M's income appeared to be substantially less than what she declared. For two of the months, she earned over £1,300, but for one month she earned £1,052. But Miss M's fixed priority spending was substantially less than what L2G had calculated for her.

There were two occasions during the three months of statements I reviewed where Miss M had unpaid direct debits. But Miss M made numerous transactions which would be considered non-priority totalling three figures each month, across the different account statements I viewed.

So I've not been able to see that once Miss M's priority bills had been paid, that she didn't have enough disposable income to meet the loan repayments here without having to borrow further to make her repayments, even in the month she received less income prior to the loan being approved. So if L2G would have reviewed Miss M's bank statements leading up to this lending decision, I'm persuaded that they still would have approved the loan, as the monthly repayments appeared sustainable and affordable for Miss M, even if it was one of her largest outgoings.

I'm sorry to hear that Miss M fell into financial difficulty shortly after she took out the loan. But as Miss M told our investigator on 13 February 2026, "*My earnings reduced after taking out the loan due to fewer working hours*". So I'm not persuaded that it would have been foreseeable to L2G that Miss M's earnings would reduce after taking out the loan.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that L2G lent irresponsibly to Miss M or otherwise treated her 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

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 14 May 2026.

Gregory Sloanes
Ombudsman