

The complaint

Mr D has complained that Western Circle Ltd trading as Cashfloat (“Cashfloat”) gave him loans without carrying out sufficient affordability checks.

What happened

A summary of Mr D’s borrowing can be found below.

loan number	loan amount	agreement date	repayment date	number of monthly instalments	largest repayment per loan
1	£300	21/12/2024	30/04/2025	4	£147.40
2	£300	16/06/2025	outstanding	4	£125.45

Mr D has had problems repaying the second loan, and he is currently paying £20 per month towards the balance through a payment plan.

In response to Mr D’s complaint, Cashfloat issued its final response letter in January 2026, and it didn’t uphold it. Mr D then referred the complaint to the Financial Ombudsman. The complaint was then reviewed by an Investigator, who didn’t uphold it because they said Cashfloat had carried out proportionate checks which showed the lending was affordable. Mr D didn’t agree, saying at that the time of each application he was reliant on his overdraft and revolving credit to meet his everyday needs. Had bank statements been taken it would’ve seen he was gambling.

These comments didn’t change the Investigator’s mind and so the complaint has 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.

We’ve set out our general approach to complaints about short-term lending - including all the relevant rules, guidance and good industry practice - on our website.

The relevant regulations for affordability checks can be found in CONC 5.2A and I’ve kept that in mind when thinking about this complaint. Cashfloat had to assess the lending to check if Mr D could afford to pay back the amounts he’d borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. Cashfloat’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 D’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 Cashfloat should have done more to establish that any lending was sustainable for Mr D. These factors include:

- Mr D 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 D 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 D 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 D. The Investigator didn't think this applied to Mr D's complaint and I would agree, as only two loans were granted.

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

I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Mr D's complaint. Based on what I've seen Cashfloat carried out the same sort of checks before it approved both of Mr D's loans.

Cashfloat took details of Mr D's income and expenditure and carried out a credit search before these loans were granted. It recorded Mr D worked full time and received a monthly salary of £3,000 for loan 1 and £3,100 per month for loan 2.

Cashfloat didn't just rely on what Mr D declared, instead it used a widely available tool to determine the accuracy of what Mr D had provided. Based on the results of this cross check Cashfloat was content to rely on what it had been told. I consider this to be reasonable and proportionate given the circumstances.

Cashfloat also made enquiries about his living costs – including credit commitments, rent and other costs. Mr D declared these to be £1,250 per month for loan 1 and £1,450 per month for loan 2.

It's worth saying here that Cashfloat assessed Mr D's monthly expenditure using what it calls "*trigger values*" – taken from a well-known debt charity and these values take account of an applicant's job, location, homeowner status, to name a few factors. It also used Mr D's credit file to check the accuracy of his declared monthly credit commitments.

Having used these trigger values and Mr D's credit file, it increased his outgoings and credit commitments for loan 1 to £1,695.14 and to £2,501 for loan 2. To this is added a further buffer of £300. Even with the adjusted living costs these loans appeared affordable.

It's worth adding that the use of statistical data to check living costs is allowed by the regulator unless there was something to suggest that Mr D's costs may have been greater. Given everything Cashfloat saw, and what it was told by Mr D which, and what it saw in the credit check results (which I come on to below). I think it was reasonable to have relied on what Mr D had declared and cross checked.

As I said, Cashfloat also carried out a credit search, and it has provided the Financial Ombudsman with a copy of the results it received from the credit reference agency and so I've reviewed this to see whether there signs of any financial difficulties.

Having looked at the credit search results more widely there wasn't anything contained within that would've prompted further checks or to have led Cashfloat to have declined the application. I say this because it knew that Mr D had about £20,000 of existing debt for both loans across a number of accounts a purchase agreement, loans, credit cards, mobile phones and current accounts.

Both credit file results showed some historic adverse payment information. There was a satisfied County Court Judgement added to Mr D's record in 2019 and seven defaults (four had been satisfied) reported between 2019 and 2021. But given the most recent default had been recorded over 3 years before the first loan application, I think it would've been reasonable for Cashfloat to not have been overly concerned by it as these defaults didn't indicate Mr D was having current financial difficulties.

In my view, the credit check results didn't indicate that Cashfloat needed to have conducted further checks or have taken the decision not to lend to Mr D. It therefore follows that I don't think Cashfloat needed to have undertaken further checks, such as reviewing Mr D's bank statements. In the circumstances of the application and what else Cashfloat knew about Mr D, it would've been disproportionate for Cashfloat to have obtained his statements as such it wouldn't or couldn't have known about Mr D's gambling.

Overall, Cashfloat carried out proportionate checks which demonstrated the loans were affordable for Mr D and as a result I do not uphold the complaint.

An outstanding balance remains due and if Mr D needs any additional help and support he should contact Cashfloat. I would also remind Cashfloat of its regulatory obligation to treat Mr D fairly and with forbearance.

Finally, I've also considered 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 Cashfloat lent irresponsibly to Mr D 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 I've set out above I am not upholding Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 May 2026.

Robert Walker
Ombudsman