DRN-6271979

Financial Ombudsman Service

Complaint

Miss L has complained about a loan Madison CF UK Limited (trading as "118 118 Money") provided to her. She says that the loan was irresponsibly lent as it was provided at a time where she was already struggling.

Background

118 118 Money provided Miss L with a loan for £3,000.00 in April 2025. This loan was due to be repaid in 24 monthly instalments of £216.11.

One of our investigators reviewed what Miss L and 118 118 Money had told us. And she thought that 118 118 Money hadn't done anything wrong or treated Miss L unfairly. So she didn't recommend that Miss L's complaint be upheld.

Miss L disagreed and asked for an ombudsman to look at her complaint.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Miss L's complaint.

Having carefully considered everything, I've decided not to uphold Miss L's complaint. I'll explain why in a little more detail.

118 118 Money needed to make sure that it didn't lend irresponsibly. In practice, what this means is 118 118 Money needed to carry out proportionate checks to be able to understand whether Miss L could afford to repay before providing this loan.

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 it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low or the amount lent was high. And 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.

118 118 Money provided Miss L with a loan for £3,000.00 in April 2025. This loan was due to be repaid in 24 instalments of £216.11. 118 118 Money says it agreed to Miss L's application after she provided details of her monthly income and some information on her expenditure. It says it cross-checked this against information on a credit search it carried out and all of this information showed Miss L could afford to make the repayments she was committing to. On the other hand, Miss L has said she was struggling to repay the debts that she already had.

I've carefully thought about what Miss L and 118 118 Money have said.

The first thing for me to say is that 118 118 Money has provided the output of the credit checks it carried out at the time of Miss L's application. There were a couple of defaults recorded against her. But 118 118 Money searches also appear to show that these defaulted accounts had been satisfied and Miss L's unsecured debt total at the time of the application wasn't excessive.

Crucially, Miss L doesn't appear to have been using all of the credit that she had available to her either. So I don't think that 118 118 Money had reason to consider that Miss L was applying for this loan because she was maxed out on what she had already and required further credit as she had become reliant on it.

I accept that Miss L's actual circumstances may not have been fully reflected either in the information she provided, or the information 118 118 Money obtained. For example, she's referred to using her overdraft for a number of years. And I'm really sorry to hear about the difficult financial situation she says she's experienced since taking out this loan.

But even if I accept that 118 118 Money's checks ought to have gone further and extended into finding out more about Miss L's actual living expenses, which there is a reasonable argument for, I don't think this would have made a difference to its decision. I say this because looking at the information Miss L has provided there isn't anything in it which shows that 118 118 Money using her actual living expenses, rather than estimates, would have shown the monthly repayments for this loan to be demonstrably unaffordable.

Equally, while Miss L has referred to her overdraft usage, 118 118 Money didn't know about her overdraft usage over the years. I also think that it might help for me to explain that proportionate checks wouldn't have extended into obtaining bank statements from Miss L. So 118 118 Money wouldn't have been aware of any continued overdraft usage, how much Miss L paid to use her overdraft either. For the sake of completeness, I would also add that Miss L appears to be arguing that a lender shouldn't lend to a customer that has been using an overdraft. However, no such prohibition exists in the rules and guidance set out by the regulator.

Furthermore, I don't think that 118 118 Money could reasonably be expected to know that Miss L would continue making buy now pay later transactions in the way that her bank statements show. It's also worth saying that 118 118 Money wasn't providing Miss L with financial advice, it was simply deciding whether it wished to accept Miss L's loan application. And the type of analysis that Miss L has now carried out simply isn't commensurate with a proportionate check for the credit she applied for and which 118 118 Money was providing here.

Given the circumstances here, I don't think that 118 118 Money did anything wrong when deciding to lend to Miss L - it carried out checks which, on the face of things, suggested the repayments were affordable. And, in any event, I don't think that obtaining further information would have prevented it from lending.

In reaching my conclusions, I've also considered whether the lending relationship between 118 118 Money and Miss L might have been unfair to Miss L under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think 118 118 Money irresponsibly lent to Miss L or otherwise treated her unfairly in relation to this matter. And I haven't seen anything

to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here. So I'm not upholding this complaint.

Overall and having considered everything, I don't think that 118 118 Money treated Miss L unfairly or unreasonably when providing her with her loan. I appreciate this will be very disappointing for Miss L. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Miss L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 5 May 2026.

Jeshen Narayanan
Ombudsman