

The complaint

Loans 2 Go Limited provided Mr M with a £1,000 loan in August 2023. Mr M says the credit was provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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 general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr M's case.

I've decided the credit was provided fairly because:

- I think the checks Loans 2 Go did before providing the credit were reasonable and proportionate given the credit it offered and what it knew about Mr M's financial situation.
- Loans 2 Go's checks showed Mr M was employed full time and his declared monthly income figure of £2,750 was verified using two months' payslips. I note Mr M's comment about the credit check only being with one credit reference agency but given the check was with one of the main agencies, I find it reasonable that this information was relied on. The credit check showed one active county court judgement but as this was dated February 2019 I find this was historic and not a reason on its own for the loan not to be provided. Mr M's more recent credit data showed his accounts were generally being well managed. He did have three months of arrears on a communications account but the outstanding balance was low and considering the other information in his credit report, I do not think this was enough to say further checks were needed or that the loan shouldn't have been given.
- Mr M declared monthly expenses of £1,150. Loans 2 Go included expenses in its calculation of around £1,886. This included credit costs based on his credit file (higher than Mr M declared), rent (even though Mr M didn't declare an amount for rent) and £850 of other expenses which was the amount Mr M had declared. I note Mr M's comment about using estimates for his living costs but given the size of the loan, and noting Mr M was asked about his expenses and the higher of the declared and estimated amount was used, I find this a reasonable approach. Based on the information gathered, I do not find I can say that Mr M appeared over indebted or that the repayments appeared unaffordable for him.
- Based on the information Loans 2 Go gathered and what it knew about Mr M's circumstances, there was nothing to suggest Mr M was likely to be unable to

sustainably repay what he was being lent.

- I note Mr M's comment about the high rate of interest, but this was included in the loan agreement along with the repayments Mr M would need to make and the total cost of the credit. Mr M also had the right to withdraw had he decided within the first 14 days of entering the agreement that the cost was too high. Therefore, I find that Mr M had the information available to him to make an informed decision. I don't think Loans 2 Go acted unfairly in any other way.

This means I don't think Loans 2 Go did anything wrong when it provided the loan to Mr M.

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 don't think Loans 2 Go lent irresponsibly to Mr M or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I'm not upholding Mr M's complaint about Loans 2 Go Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 May 2026.

Jane Archer
Ombudsman