

The complaint

Mr P complains that Fairscore Ltd trading as Updraft (Updraft) acted irresponsibly when they agreed to lend to him.

What happened

In July 2025, Mr P successfully applied for a loan with Updraft for £10,000. He doesn't think that sufficient checks were carried out or that the resulting decision to lend was fair. At the time, he was newly self-employed and had over £112,000 in unsecured debt. Mr P says Updraft relied on open banking, but had they requested things like tax returns then they would have found his salary was lower.

Mr P says he was struggling with gambling addiction and associated mental health issues and fell into financial difficulty soon after receiving the loan. He doesn't think that Updraft assessed for vulnerability prior to lending despite clear signs of distress. He raised a complaint with Updraft in November 2025.

Updraft did not uphold the complaint. They say that the loan was for the purposes of consolidation and that the decision to lend was fair, following proportionate checks.

Mr P wasn't happy with Updraft's response and referred his complaint to us. Our investigator said that they thought the checks which Updraft carried out were reasonable and proportionate and that the decision to lend was fair.

Updraft didn't dispute this position, but Mr P did. In summary, he said that he had only been trading for half a year and his filed accounts indicated his salary for that period was lower than he'd declared. Mr P doesn't think Updraft should have relied on open banking as the resulting figure was too high and took into account business expenses that weren't guaranteed earnings and may be subject to tax liabilities. He thought that taken together, his gambling, high existing debt, new status as self-employed and unstable income should have raised concerns for Updraft.

Our investigator gave subsequent correspondence where they reiterated that Mr P had declared his income as £110,000. They explained that Updraft didn't assume this was accurate and used open banking to establish average income from the three months leading up to the lending, the figure they used was 70% of the amount found to account for variability. They didn't think that Updraft needed to take further steps such as reviewing business accounts.

Mr P didn't agree and asked for an ombudsman to decide on the matter. So, the case 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.

While Mr P has provided detailed evidence of his complaint, and I've considered all the available information, I've not reflected every point that has been raised. No discourtesy is intended here, this is merely to reflect my informal role in deciding a fair and reasonable outcome. So, I've focused on what I think are the key issues of the complaint. If there is something I haven't mentioned, it isn't because I've ignored it. I've also only considered matters that occurred before the final response letter was issued, in line with the rules this service must follow.

I've considered what both parties have said about Mr P's lending with Updraft. Having carefully considered everything, I think that Updraft acted fairly and reasonably.

The relevant rules, regulations, and guidance at the time of Updraft's lending decision required them to carry out proportionate checks. While there isn't a defined list of checks a lender needs to carry out, such checks should be proportionate, considering things like the type, amount, duration and total cost of the loan, as well as the borrower's individual circumstances. These checks needed to assess Mr P's ability to afford the loan being approved and to be able to repay it sustainably, without causing him financial difficulties or harm.

It isn't sufficient for Updraft to just complete proportionate checks, they must also consider the information obtained from these checks to make a fair lending decision. I've considered the checks Updraft did and what they found from these checks.

In his application, Mr P answered questions about his income and expenditure. Updraft linked his main bank account via open banking and completed a credit check. In assessing expenses, they used a combination of this information and data from the Office for National Statistics (ONS). In his application, Mr P said his salary was £110,000, that he worked full time and was a homeowner. Using open banking, Updraft took an average of the main income coming into Mr P's linked bank account for the three months leading up to the application. They utilised a figure which was 70% of the amount they found from these checks to account for fluctuations, which came to £8,151.

Mr P says this income figure is incorrect. While I haven't found that Updraft needed to request and review Mr P's bank statements, having seen these myself I think that the figure which Updraft found from open banking was in line with what these would have shown prior to the 30% reduction. I understand that Mr P has said that this doesn't reflect his real net income, but I don't think this would have been evident from reasonable checks. I think it's fair that this figure, which included a buffer, was used.

Updraft found that Mr P had monthly credit commitments of around £2,969, housing costs of around £2,368 and other expenditure of £496. They used a higher figure than those declared where this was found to be more reasonable. This left a disposable income of around £2,318, which was sufficient to sustainably repay the new monthly loan repayments of around £287.

Credit Reference Agency (CRA) data at the time showed Mr P had an existing unsecured debt of £112,275. He was up to date with all current credit commitments and there were no payment arrangements, County Court Judgments or delinquencies. Open banking results didn't show any returned direct debits on the account. So, although the level of lending was high, this suggested it was being managed well.

Given the size of the loan and the existing debt, I would expect Updraft to take steps to check the accuracy of the information they were relying on. In this case, I think they have done enough. They asked Mr P about his situation and verified this information against open banking and CRA data. They applied caution by taking into account just 70% of the average

income figure they found to allow for fluctuations, and by using the higher expenditure estimates found by ONS when these exceeded the declared figure.

It's also noted that the loan was for the purpose of consolidating existing lending. I think it was reasonable to anticipate that at least some of the existing credit repayments would be reduced or replaced.

Open banking results also showed that there were some transactions on the account relating to gambling. Updraft thought that these were infrequent and didn't indicate habitual or problematic gambling. I can see from the information available that the level of gambling compared to Mr P's salary was not so high to prompt further checks. I thought that the checks which Updraft carried out before lending were reasonable and proportionate to satisfy themselves that Mr P would be able to sustainably repay the borrowing.

I also have to consider if, based on the information within these checks, the information was considered fairly. The checks carried out by Updraft found a significant level of disposable income, which I think shows the lending was affordable.

Mr P complained that Updraft didn't do enough to consider his vulnerabilities. While there are gambling transactions noted in the open banking checks, compared to Mr P's income, I didn't think this was something that ought to have prompted Updraft to have concerns. Similarly, while there was a high level of existing lending, checks found this lending was being well managed. Mr P had not disclosed his vulnerabilities to Updraft prior to the lending decision, and I don't think there was enough for them to have concerns based on the information that was available.

Mr P has noted that a separate complaint with our service for a different provider was upheld, which suggests the current loan was also unfair. However, I'm required to make my decision based on the individual circumstances of this case, and each case is determined on the basis of its own merits. In the circumstances of this case, I don't think that further checks were required or that the lending was unfair. While I was sorry to hear of the impact this lending has had on Mr P, considering the full circumstances of this complaint, I don't find that Updraft acted unfairly or unreasonably in providing him with the loan.

In reaching my conclusions, I've also considered whether the lending relationship between Mr P and Updraft might have been unfair to Mr P under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Updraft did not lend irresponsibly when providing Mr P with the loan or otherwise treat him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome.

My final decision

For the reasons given above, I do not uphold this complaint against Fairscore Ltd trading as Updraft.

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

Frances Kerslake
Ombudsman