

The complaint

Ms Z complains that Loans 2 Go Limited (Loans 2 Go) irresponsibly entered into several fixed sum loan agreements with her.

What happened

Around November 2021, Ms Z applied for a loan with Loans 2 Go. She was given a loan for £250. The total repayable, including the interest was £925.02, to be repaid over 18 monthly repayments of £51.39 (loan one).

Around December 2021, Ms Z applied for another loan with Loans 2 Go. She was given a loan for £250. The total repayable, including the interest was £925.02, to be repaid over 18 monthly repayments of £51.39 (loan two).

Around December 2021, Ms Z applied for another loan with Loans 2 Go. She was given a loan for £250. The total repayable, including the interest was £925.02, to be repaid over 18 monthly repayments of £51.39 (loan three).

Around November 2023, Ms Z applied for another loan with Loans 2 Go. She was given a loan for £350. The total repayable, including the interest was £1,294.92, to be repaid over 18 monthly repayments of £71.94 (loan four).

Around March 2024, Ms Z applied for another loan with Loans 2 Go. She was given a loan for £400. The total repayable, including the interest was £1,479.96, to be repaid over 18 monthly repayments of £82.22 (loan five).

Around September 2024, Ms Z applied for another loan with Loans 2 Go. She was given a loan for £528.88. The total repayable, including the interest was £1,861.74, to be repaid over 18 monthly repayments of around £103.43 (loan six).

Ms Z complained that Loans 2 Go shouldn't have provided her with the loans. She said that appropriate affordability checks hadn't been completed and if they had Loans 2 Go would have seen that the loans were unaffordable for her. Ms Z also complains that the duration of the loans were too long.

Loans 2 Go upheld Ms Z's complaint in relation to loan four. However, in relation to all other loans, it didn't think that it had acted unfairly when lending to Ms Z.

Our investigator agreed with Loans 2 Go's outcome for the complaint. They thought Loans 2 Go had completed proportionate affordability checks for the loans still in dispute and there was nothing in the checks that suggested Ms Z wouldn't be able to afford the borrowing.

Ms Z didn't agree. So the complaint has been passed to me for a final 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.

There isn't a set list of checks Loans 2 Go was required to complete before lending to Ms Z. The rules require it to ensure it carried out proportionate checks. What is proportionate will vary with each lending decision and takes into account things such as (but not limited to): the amount of credit, the size of the repayments, the cost of the credit, the purpose the credit was taken out for and the consumer's circumstances.

Loans one and two

Ms Z repaid these loans very soon after they were opened. The account statements show no interest or charges were applied in the case of either loan. I'm satisfied that in the circumstances of loan one and two, even if Loans 2 Go had made an unfair lending decision, Ms Z has suffered no loss, so there is nothing for Loans 2 Go to do to put matters right. Because of this, I will go no further in relation to these loans.

Loan three

Loans 2 Go completed a credit check, which showed that Ms Z had no recent adverse entries against any of her borrowing, such as defaults or County Court Judgements. The credit check also showed that Ms Z had very little existing borrowing. I'm satisfied that this data ought to have reassured Loans 2 Go that Ms Z wasn't struggling financially.

Loans 2 Go completed a check into Ms Z's income and determined that she earned £1,469 net per month. Loans 2 Go used statistical data to estimate Ms Z's monthly essential living expenses to be £205 and her monthly housing costs to be £425. It's arguable whether Loans 2 Go's estimate of monthly essential living costs was reasonable as the figure appears to be quite low to cover things such as council tax, utility bills, food and transport. However, after accounting for the repayments towards loan three, Loans 2 Go calculated that Ms Z would have left around £788 for emergency unaccounted for spending. I consider that even if it had used a much higher figure for estimating essential spending, it appeared the loan was still sustainably affordable for Ms Z.

I'm satisfied that the checks completed by Loans 2 Go were fair and proportionate. I say this because it gathered sufficient information about her income and credit commitments. Although the living expenditure estimates were questionable, it was able to establish that Ms Z likely had enough disposable income to sustainably afford the borrowing. Further, there were no signs of any financial difficulties. I'm satisfied that Loans 2 Go had no reason to complete any further checks, or do anything differently in the circumstances. I'm satisfied based on the checks completed that Loans 2 Go would have thought the loan would be sustainably affordable to Ms Z. Because of this, I'm satisfied a fair lending decision was made.

Loan four

Loans 2 Go upheld this complaint in relation to loan four and offered to refund the interest Ms Z had already paid towards this account. It explained in its final response letter that these funds would be deducted from what Ms Z owed in relation to loan six, because that loan account is still active. I consider this offer to be fair and reasonable because the offer refunds all of Ms Z's financial loss in relation to loan four and since she still has existing borrowing to be repaid, it is fair that this is deducted from what she owed Loans 2 Go. It is not clear whether Ms Z has accepted this offer. If not already completed, Loans 2 Go should proceed with the offer as outlined in its final response letter.

Loan five

Loans 2 Go completed a credit check which revealed that Ms Z had some recent adverse entries in relation to her existing borrowing at the time of this application. Around seven months before applying for this loan, Ms Z had been in an arrangement to pay for a couple of months with another lender. It also appears that she had one outstanding payment worth £43 which she hadn't paid from around 18 months ago. Aside from these two adverse entries, Ms Z appeared to have no other adverse information recorded against her borrowing.

I'm satisfied that the outstanding payment from 18 months ago ought not to have caused Loans 2 Go any concern. It was a relatively small debt of £43 and it appears to be one payment in dispute, rather than evidence of any financial difficulties.

Whilst I consider an arrangement to pay a possible sign that a customer could be in financial distress, this particular arrangement ended around seven months before this lending decision. I'm satisfied that Ms Z's financial circumstances appeared to have changed in this time because her finances appeared well managed since. I'm satisfied this particular entry ought not to have caused Loans 2 Go much concern for it to do anything differently.

Loans 2 Go completed a check into Ms Z's income and determined that she earned £1,554 net per month. Loans 2 Go used statistical data to estimate Ms Z's monthly essential living expenses to be £568 and her monthly housing costs to be £475. I consider that both estimates are reasonable and Loans 2 Go had no reason to think Ms Z's expenses would be any different. Loans 2 Go could see from the credit check that Ms Z spent approximately £100 on her existing credit commitments. After accounting for the repayments towards loan five, Loans 2 Go calculated that Ms Z would have left around £329 for emergency unaccounted for spending.

I'm satisfied that the checks completed by Loans 2 Go were fair and proportionate. I say this because the estimated figures were reasonable and Loans 2 Go had no reason to think Ms Z's expenses would be any different to the statistical average. There were no recent signs of any financial difficulties that I consider Loans 2 Go ought to have been concerned about and according to its calculations, Ms Z would be left with a reasonable buffer of funds each month. I'm satisfied that Loans 2 Go had no reason to complete any further checks, or do anything differently in the circumstances. I'm satisfied based on its affordability calculation, Loans 2 Go would have thought the loan would be sustainably affordable to Ms Z. Because of this, I'm satisfied a fair lending decision was made.

Loan six

Whilst the majority of Ms Z's loans were repaid shortly after account opening, loan five was active for long enough that Loans 2 Go could obtain enough data regarding how Ms Z was managing her existing account with them. From what I can see, all Ms Z's loan repayments were made on time and for the full amount. There was also no new adverse information in the credit check completed at the time of loan six. I'm satisfied that this data ought to have reassured Loans 2 Go that Ms Z wasn't struggling financially.

Loans 2 Go completed a check into Ms Z's income and determined that she earned £1,600 net per month. Loans 2 Go used statistical data to estimate Ms Z's monthly essential living expenses to be £512 and her monthly housing costs to be £475. I consider that both estimates are reasonable and Loans 2 Go had no reason to think Ms Z's expenses would be any different. Loans 2 Go could see from the credit check that Ms Z spent approximately £183 on her existing credit commitments which included her repayments towards loan five. After accounting for the repayments towards loan six, Loans 2 Go calculated that Ms Z would have left around £327 for emergency unaccounted for spending.

It also appears that this loan was to be used to consolidate loan five. In such circumstances, Ms Z would likely be left with a larger buffer of funds than the above estimation as loan five would be settled. With this in mind, loan six ought to have appeared even more affordable to Loans 2 Go.

I'm satisfied that the checks completed by Loans 2 Go were fair and proportionate. I say this because the estimated figures were reasonable and Loans 2 Go had no reason to think Ms Z's expenses would be any different to the statistical average. There were no recent signs of any financial difficulties and according to its calculations, Ms Z would be left with a reasonable buffer of funds each month. I'm satisfied that Loans 2 Go had no reason to complete any further checks, or do anything differently in the circumstances. I'm satisfied based on its affordability calculation, Loans 2 Go would have thought the loan would be sustainably affordable to Ms Z. Because of this, I'm satisfied a fair lending decision was made.

Other considerations

Ms Z complains that the duration of the loans were too long, particularly for such small borrowings. I have seen a copy of all six loan agreements, where the duration of the loans, monthly repayments and total amount to be paid is clearly set out. I'm satisfied that Ms Z ought to have known the commitment she was making at the time of taking out each agreement, how long she would be paying the loans for and the total amount it would cost her. I'm satisfied that she also knew she could repay these loans early, which would reduce the total cost and indeed she did so for many of the loans.

Ms Z feels she has paid more than enough towards loan six and would like the agreement to end and to no longer make any payments towards this account. As explained above, I'm satisfied that Loans 2 Go made a fair lending decision regarding loan six and there is no evidence to show that it made any error. Because of this, it would be unfair for me to direct Loans 2 Go to end this agreement, or do anything differently in relation to this loan. Because Ms Z has received the benefit of the borrowing, it is fair that this is repaid in line with the original terms that were agreed.

In reaching my conclusions, I've also considered whether the lending relationship between Ms Z and Loans 2 Go might have been unfair to Ms Z under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Loans 2 Go did not lend irresponsibly when providing Ms Z the loan accounts, or otherwise treat her unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

While it'll likely come as a disappointment to Ms Z, I won't be upholding her complaint against Loans 2 Go Limited for the reasons explained above. However, if Loans 2 Go hasn't already, it should refund the interest charged on loan four as it has previously offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Z to accept or reject my decision before 19 May 2026.

Jenny Hiltunen
Ombudsman