

The complaint

Brighter Lending Limited trading as Toot Loans provided Mr W with a £2,000 loan in June 2024. Mr W 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.

My provisional conclusions

I issued a provisional decision not upholding this complaint. The details of my provisional decision are set out below.

Having considered everything, I'm not upholding Mr W's complaint. I'll explain my reasoning below:

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 W's case.

I've decided the credit was provided fairly because:

- Toot Loans was requested to provide evidence of the checks it carried out before lending to Mr W. As these weren't provided, I cannot say whether the checks Toot Loans did before providing the credit were reasonable and proportionate. As I do not have evidence of the checks, I have assessed what I think would have been identified had Toot Loans done proportionate checks.*
- If Toot Loans had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the credit to Mr W.*
- Mr W has provided copies of his bank statements for the months leading up to this loan application and also copies of his credit report. While I do not think that Toot Loans was required to request copies of Mr W's bank statements, without other evidence, I think it fair I rely on the information these contain to understand what reasonable checks would likely have identified.*
- Mr W's bank statements showed he had a regular income averaging around £1,918 in the three months leading up to the loan application. The credit reports provided show that Mr W had an arrangement on one of his accounts but was managing his other accounts without issues. Therefore, I do not find this was enough to say that the loan shouldn't have been given.*
- The credit check showed that Mr W had outstanding loans and revolving credit accounts. His credit reports and bank statements showed his monthly repayments for existing credit commitments accounted for just over 50% of his income. This was a*

significant portion and so it was important to ensure that the checks showed that the new loan repayments would be sustainably affordable.

- *Based on Mr W's testimony and his bank statements his regular monthly expenses were around £550. Deducting these costs along with Mr W's existing credit commitments and the repayments due on this loan (£138.20) would leave around £190 to cover any unforeseen costs. While I accept this wasn't a large amount, as there was limited adverse data on his credit file and in general he was managing his accounts, and noting the other information provided, I do not find this figure was such that the loan should have been considered unaffordable.*
- *Based on the information Mr W has provided about his circumstances at the time, there was nothing to suggest Mr W was likely to be unable to sustainably repay what he was being lent.*
- *I don't think Toot Loans acted unfairly in any other way.*

This means I don't think Toot Loans did anything wrong when it provided the loan to Mr W.

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 Toot Loans lent irresponsibly to Mr W 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.

I know this isn't the outcome Mr W hoped for. But for the reasons above, I'm not asking Toot Loans to do anything to put things right.

Mr W didn't accept my provisional decision and noted that the investigator had previously upheld his complaint. He said that he was using over 50% of his income to repay existing credit commitments, that he had an arrangement on one of his credit commitments and that he had high utilisation of his credit with accounts near their limits. Mr W said he was reliant on credit and he didn't think my provisional decision had sufficiently addressed these points.

Mr W stated that the lender hadn't been able to demonstrate that it had undertaken adequate checks to show the loan to be affordable, and he didn't accept it was then appropriate to rely on what might have been identified, particularly given the indicators of financial difficulty. Mr W said that finding a surplus income of £190 didn't represent sustainable affordability as this gave limited capacity to absorb unexpected costs. He also asked that s.140A be considered further given his high level of debt, limited disposable income, and reliance on credit at the time of the application.

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.

I have considered the comments Mr W has made in response to my provisional decision and I have looked again at his complaint. However, my position hasn't changed.

I agree with Mr W that Toot Loans didn't provide the evidence to show that the checks it undertook before lending were reasonable and proportionate and I set this out in my provisional decision. However, insufficient checks isn't enough to uphold the complaint. To uphold the complaint, I would need to be satisfied, based on the available evidence, that had proportionate checks taken place they would have shown the lending to be irresponsible.

Mr W has noted his existing credit commitments, high utilisation of his credit limits and has said he was reliant on credit. Having looked through Mr W's credit reports, while he did have existing commitments, he was managing these. His credit cards were operating within their limits, and he hadn't taken out other credit in the months immediately preceding this loan. So, I do not think his credit reports raise concerns that meant the loan shouldn't be given.

While I do not think, given the size of the loan and the results of Mr W's credit file that Toot Loans needed to request copies of Mr W's bank statements, I have used these to understand what proportionate checks would likely have identified. As noted in my provisional decision, these showed Mr W's average income to be around £1,918. Deducting his repayments to existing credit commitments, other costs and the new loan repayments, left disposable income of around £190. I note Mr W's comment that he doesn't think this was enough to say the loan would be sustainably affordable. However, in this case, as Mr W's regular costs were included in the calculation and he had a regular income, I do not find I can say the level of disposable income was such that the lending should have been considered unaffordable.

I note Mr W's comment about s.140A and I note he has said the relationship was unfair due to the points raised above, including his existing credit repayments and use of credit. However, for the reasons I set out in my provisional decision and above, I do not think that Toot Loans acted irresponsibly when it lent to Mr W 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 do not uphold this complaint.

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

Jane Archer
Ombudsman