

The complaint

Mr S complains that Gain Credit LLC trading as Lending Stream has treated him unfairly in relation to a loan he took out with it.

What happened

In October 2022 Mr S took out a loan with Lending Stream. As part of the application process Mr S provided Lending Stream with his email address. Regrettably Mr S made a typing error in providing his email address so that Lending Stream had the wrong email address on file for him.

Mr S was meant to make monthly payments towards the loan, but he made none. As a result he began to run up arrears on the account. Lending Stream sent Mr S four separate notices about the arrears both to his home and email address. Mr S says though he only received the last notice. In any event he was not staying at home during this period as he was staying with his partner.

Two days before Lending Stream defaulted his account Mr S tried to pay off his arrears. First he tried to log into his account online, but he could not as Lending Stream had the wrong email address for him. Then according to Mr S, he phoned Lending Stream to make payment over the phone, but it was unable to process his payment. Ultimately, Lending Stream defaulted Mr S's account.

Mr S considers Lending Stream has not treated him fairly in relation to the default and wants it to remove it. Whereas Lending Stream considers it acted appropriately and declines to remove the default.

Dissatisfied Mr S complained to our service.

One of our investigators looked into Mr S's complaint. Our investigator did not recommend that Mr S's complaint be upheld.

Lending Stream accepted our investigator's recommendation, Mr S did not. In rejecting our investigator's recommendation Mr S put forward several points which I've summarised. He repeated his previous stance. Mr S also said all the notices from Lending Stream had gone to the wrong email address therefore he'd not seen them. He told us he'd contacted Lending Stream by phone, in time to pay off the arrears and that he had the money ready to do so. Mr S also mentioned that he had had previous loans with Lending Stream he had a perfect payment history with those loans and Lending Stream had his correct email address in relation to those loans.

Mr S asked that an ombudsman review his complaint.

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.

First, I'm very aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. Rather, I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulator's rules, guidance and standards and codes of practice and (where appropriate) what I consider to have been good industry practice at the time.

It seems Mr S and Lending Stream both agree that Mr S had made none of the monthly contractual payments to his loan. It seems that they also agree that Mr S gave Lending Stream the wrong email address, so that mistake was his. They also both seem to agree that two days before the account was defaulted Mr S tried to log into his online account but could not due to having given Lending Stream the wrong email address. However, it is not clear if they also agree that Mr S was not able to make a manual payment by phone at this point either due to Lending Stream's systems being down.

The difficulty for Mr S is that I don't find that Lending Stream did anything wrong which led to his account defaulting. That means I have no proper basis for upholding his complaint. I'll explain below why I say this.

Under the terms of the agreement between the parties, Lending Stream was entitled to pursue Mr S for arrears and to default the account, if it gave him proper notice and the arrears were not paid. So on the face of it all Lending Stream has done is rely on the terms of the agreement which it is entitled to do.

Moreover the agreement and the relevant law and regulations allow Lending Stream to default an account when there are at least three months of arrears as was the case here. And when proper notice was given. I recognise that Mr S tells us he only received the final notice. However, I also note that all notices were sent both by email and by post according to Lending Stream's records, I think it likely those records are accurate.

Given that Lending Stream had the wrong email address it is not surprising that Mr S did not receive the emails. But Lending Stream used the email address Mr S provided. And as far as I am aware it did not receive any non-delivery emails in return. It was also not obliged to cross-reference the email address Mr S had given it previously with the email address Mr S gave on this occasion. In the circumstances, I can't fairly say Lending Stream is at fault if Mr S did not receive these emails.

Moreover, Lending Stream did not just send the notices by email although this would have been enough to satisfy the regulatory obligations around notices, it also posted the notices to Mr S. I accept that the copies of these notices that Lending Stream has provided are genuine. As far as I can see they were correctly addressed, and on the balance of probabilities I think it is more likely than not that they were sent. If the notices were not delivered in the post, then that is not Lending Stream's fault. Although it seems odd that Mr S only received one of the four notices when they were all sent by the same method. If Mr S did not receive the notices in the post because he was not staying at his home at the time, then I've seen nothing to suggest that Mr S told Lending Stream about his temporary change of address. Therefore it's not at fault for sending the notices to an address where he was not living.

I don't think it is significant whether Mr S phoned Lending Stream or not. I say this because I am not satisfied that this would have changed anything. Mr S says he did have the money to pay Lending Stream on that day, but he has not demonstrated that he did. Mr S has not explained why he did not make his monthly repayments, but this pattern of behaviour might

suggest he was struggling to find the funds which also suggests he was in no position to pay the arrears.

I realise that Mr S thinks Lending Stream is to blame for his situation but for the reasons I've set out above I don't see it like that. Moreover, none of this would have happened at all if Mr S had made his monthly payments or contacted Lending Stream in a timely fashion to explain what was going on. None of that is down to Lending Stream.

It follows that I have no proper basis for saying Lending Stream acted unfairly in defaulting Mr S's account. Therefore I have no fair and reasonable grounds for saying it must reverse its decision.

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 S to accept or reject my decision before 1 December 2023.

Joyce Gordon
Ombudsman