

## **The complaint**

Ms S has complained that Everyday Lending Limited (EDL) lent to her irresponsibly.

## **What happened**

I issued a provisional decision in March 2022 about this complaint that I summarise below.

Ms S was given a loan of £1,650 by EDL in September 2018. This was due to be repaid in 18 monthly instalments of around £189. The total amount payable, including interest, was just over £3,417. I understand the loan has been settled.

I explained the basis on which I would decide the complaint, in particular the checks that EDL needed to do such as the amount being lent, and the consumer's income and expenditure. I said that EDL was required to carry out reasonable and proportionate checks in order to establish whether Ms S could sustainably repay her loan.

EDL carried out some checks before it lent to Ms S. This included asking for details of her income and expenditure, carrying out some credit checks and requesting a payslip and bank statements. EDL calculated Ms S's regular living expenses using ONS data and assessed her monthly credit commitments.

I'd seen a summary of the information gathered by EDL, including the credit report and bank statements Ms S provided to EDL at the time. From what I'd seen, I thought the checks that EDL carried out before lending to Ms S were reasonable and proportionate, in the circumstances.

The credit report acquired by EDL showed Ms S had one loan with a total balance outstanding of £444 and a total outstanding revolving account balance of £784. There was very little adverse information on the credit report apart from a default at the beginning of 2018 and two further details in 2017 which I thought EDL might reasonably consider to be historic.

From what I'd seen, EDL was aware that Ms S had recently taken car finance and factored those monthly payments into its assessment of the loan's affordability for her, in her circumstances. I thought EDL would most likely be aware from Ms S's bank statements that she had also taken additional short-term lending in the weeks before her loan application. But I didn't think EDL ought reasonably to have concluded from Ms S's bank statements that there were signs of significant financial distress, such as regular high levels of gambling or significant bank charges for unarranged overdrafts or frequently returned requests for payment, all of which might have signalled to EDL that Ms S was experiencing severe financial difficulties.

Ms S told EDL she intended to consolidate some of her outstanding debt with her EDL loan. I considered whether the information that EDL gathered should reasonably have led it to decline Ms S's application. I appreciate that Ms S had borrowed from short term lenders in

the months before she applied to EDL and had taken out car finance. But it seemed to me that EDL considered Ms S's ongoing credit commitments, including her relatively low level of indebtedness, her low outgoings from living at home, her bank statements, and what Ms S said were her plans to use EDL's loan to consolidate some of her borrowing. On balance, I didn't think there was anything which should have caused EDL any additional concerns about Ms S's financial position when she applied for the loan. Or that should have led the lender to reasonably conclude that lending to Ms S would be unfair or irresponsible in some way.

*Did EDL treat Ms S unfairly in some other way?*

I hadn't seen anything which made me think that EDL treated Ms S unfairly in some other way. And from what I'd seen, I could not fairly say that EDL ought reasonably to have concluded that it would be irresponsible or unfair to lend to Ms S, in her circumstances. I said I didn't intend to uphold the complaint and I invited the parties to provide any further evidence or comments before I made my final decision.

I have not seen any further evidence from either party and the deadline for commenting on my provisional decision has now passed.

### **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'd like to thank both parties for all the information that has been provided about this matter.

Given that I have not seen any further evidence that changes my mind about this complaint, I confirm the conclusions I reached in my provisional decision. I cannot fairly say that EDL ought reasonably to have concluded that it would be irresponsible to lend to Ms S in her circumstances and I do not uphold this complaint.

### **My final decision**

For the reasons given above, I don't uphold the complaint or make any award against Everyday Lending Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 19 June 2022.

Sharon Parr  
**Ombudsman**