

The complaint

Mrs T says Lendable Ltd irresponsibly lent to her.

What happened

Mrs T's complaint is about a credit card supplied by Lendable. The account was opened in February 2022 with an initial credit limit of £200.

Mrs T complains that Lendable irresponsibly lent to her.

Our adjudicator didn't uphold the complaint. She said that the checks carried out by Lendable were reasonable and proportionate and that the decision to lend was fair.

Mrs T didn't agree so the company has been passed to me for a 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.

The general approach to complaints about unaffordable and irresponsible lending, including the key relevant rules, guidance and good industry practice, is set out on this service's website.

Lendable needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice, this means that it should have carried out proportionate checks to make sure Mrs T could afford to repay what she was being lent in a sustainable manner. These checks could take into account a number of different things, such as how much was being lent, the repayment amounts and the customers income and expenditure.

Lendable says that the results of the checks it carried out didn't show anything negative to suggest that it would've been unreasonable to provide Mrs T with the loan. It says it asked her about her income and validated this using industry standard income validation tools. It says it checked Mrs T's credit file and saw that she had no other active credit. It says it saw from the credit file that Mrs T had borrowed loans in the past and these had been paid back successfully, and that any missed payments had been quickly rectified.

Based on what I've seen, I think Lendable gathered a reasonable amount of information from Mrs T about her ability to repay the loan.

Mrs T has said that if Lendable has looked at her bank statements, it would've seen that there were some gambling transactions. There's no obligation on Lendable to check bank statements and I'd only expect it to do so if there was something in the information it had already obtained to suggest that more detailed checks were necessary. In this case, there wasn't anything in the information obtained by Lendable which meant it ought to have carried out additional checks.

I'm satisfied that the checks carried out by Lendable were reasonable and proportionate. So,

I've gone on to consider whether Lendable made a fair lending decision.

I've looked at all of the information that Lendable obtained. Having done so, I'm satisfied that the information shows that the agreement was likely to be affordable to Mrs T. I say this because of the level of Mrs T's income, the absence of other active credit and the relatively low credit limit she'd been given. I don't think there was anything to indicate that there was a risk that Mrs T wouldn't be able to afford to repay the loan.

Having looked at the available information, I haven't seen anything to suggest that Lendable made an unfair decision in allowing Mrs T to open the account.

I'm therefore unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 7 November 2022.

Emma Davy
Ombudsman