

The complaint

Mr J complains that Lendable Ltd lent to him irresponsibly

What happened

Using information from Lendable Ltd, here is a summary of Mr J's loan. It remains outstanding.

Loan	Date taken	Amount	Term	Monthly repayment
1	15/04/2021	£1,000	24 months	£51.92

Mr J complained to Lendable and it issued its final response letter in which it said that it did not uphold Mr J's complaint.

Mr J referred his complaint to the Financial Ombudsman Service in May 2022. In June 2022 one of our adjudicators looked at the complaint and thought that it ought not to have been approved for him. In addition, she referred to the mental health issues about which Mr J had informed Lendable in the autumn of 2021 and she thought that it had taken appropriate steps to support Mr J through his difficult times.

Lendable agreed to the letter of opinion from our adjudicator. That was in July 2022.

Mr J has requested that it be referred to an ombudsman and Mr J sent in evidence of letters from other lenders which had chosen to write off the principal sums lent to Mr J. So, he was not satisfied and wanted the Financial Ombudsman Service to direct that Lendable writes off the capital of the loan.

The partially unresolved complaint was passed to me to decide.

After I had initially reviewed the complaint in mid-September 2022, I asked Lendable and Mr J to give me more up-to-date details about the loan account, any details relating to repayment plans that had been, or may still be, in place. And I asked Mr J for some up-to-date information about his financial situation.

I address this is the main part of the 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.

I do not need to address the irresponsible lending part of Mr J's complaint as Lendable has agreed with our adjudicator's view which, effectively, resolves the complaint. The redress section at the end of this decision is to confirm that uphold – as agreed – and outlines what Lendable must do to put things right for Mr J.

Instead this decision will look at whether Lendable ought to write off the outstanding balance.

I have reviewed the information I have to address Mr J's very particular submission that the capital sum owed on the account ought to be written off. Meaning that if that submission succeeds, Mr J would not have to repay anything.

Just to re-cap – this is what our adjudicator said about this part of the complaint:

'I've considered the steps Lendable have taken since they became aware of Mr J's mental health and financial difficulties and found they have taken appropriate steps to support and liaise with Mr J. For example, Lendable have attempted to facilitate:

- *a payment deferral,*
- *affordable payment arrangements and,*
- *income and expenditure and mental health evidence forms.*

Overall, I haven't seen anything to suggest Lendable should've acted differently with Mr J once they were made aware of their circumstances. So, I won't be asking Lendable to do anything more,...

Despite asking Mr J several times for some more information about his current finances, and having extended his reply date deadline several times, I have received nothing more. So I have used what we already have on our complaint file.

I did ask Lendable for details of the current balance on the loan account, and for details of any past and current repayment plans Mr J may have been in and was in now. It sent us the information I needed on 11 October 2022.

Considering this complaint had been resolved in relation to the core part of it – the irresponsible lending part – in July 2022, then it seems appropriate that I issue my final decision now and address the outstanding points using the information I have received already and what Lendable has sent to me. Both parties require resolution on this.

Lendable had received information about Mr J's mental health, it had received information to show that Mr J was obtaining debt management advice, it knew Mr J was in work, sometimes worked away from home and it knew of Mr J's salary. Lendable knew of Mr J's outgoings and the agreed repayments with his creditors.

That information has shown me that Mr J is working and has a defined repayment plan for all his creditors and, using relatively recent 'income and expenditure' information, I think Mr J is able to afford the Lendable loan repayments.

I have received copy correspondence between Mr J and Lendable which has been ongoing since September 2021, and having reviewed it all, I agree with our adjudicator, Lendable has supported Mr J in several ways and I'd not expect it to have done more.

Going forward, the recent (October 2022) correspondence between Mr J and Lendable indicates that Mr J effectively has been paying the original repayment amount of £51.92 for several months. Further, apart from September 2022 when he repaid just £1 by agreement, Mr J is reverting to the original amount each month on 28 October 2022. And Mr J has confirmed that his monthly salary has increased from October 2022.

The Financial Ombudsman's usual approach as part of a successful irresponsible lending complaint is not to include that the capital sum loaned be written off. Our usual approach is not to do that.

From Lendable I have current information surrounding Mr J's recent repayments and future salary security and that he has confirmed to Lendable that he is up to date with his priority bills. Having reviewed all the information I have from both parties, my decision is that Mr J received the £1,000 capital in April 2021, he has had the benefit of it and that £1,000 ought to be repaid. That is reflected in the redress paragraphs set out below.

I endorse the agreed resolution that Lendable puts things right for Mr J in relation to the irresponsible lending part of the complaint, and that it is done in the usual way.

Putting things right

Lendable should so as follows:

- remove all interest, fees and charges applied to the loan,
- treat any payments made by Mr J as payments towards the capital amount of £1,000,
- If Mr J has paid more than the capital then any overpayments should be refunded to him with 8%* simple interest from the date they were paid to the date of settlement,
- but if there's still an outstanding balance, Lendable should come to a reasonable repayment plan with Mr J or continue with the one currently in place.
- remove any adverse payment information about the loan from Mr J's credit file.

† HM Revenue & Customs requires Lendable to take off tax from this interest. Lendable must give Mr J a certificate showing how much tax it's taken off if he asks for one.

My final decision

My final decision is that I endorse the agreed uphold on the irresponsible lending part of the complaint and I direct that Lendable Ltd does as I have outlined above in the 'putting things right' part of the decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 24 November 2022.

Rachael Williams
Ombudsman