

## **The complaint**

Miss S complains that Zopa Bank Limited ('Zopa') irresponsibly gave her a credit card account that she couldn't afford.

## **What happened**

On 23 December 2021, Miss S's credit card was opened by Zopa with an initial credit limit of £800. This credit limit was never increased.

In 2022, Miss S complained to Zopa to say that the account shouldn't have been opened because it wasn't affordable and that Zopa ought to have made a better effort to understand her financial circumstances before opening the credit card.

Our investigator didn't recommend the complaint be upheld. Miss S didn't agree. So, the complaint has been passed to me to decide.

## **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've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Zopa will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Miss S's complaint is that Zopa made credit available that was unaffordable. Zopa has explained that it relied in part on information that Miss S provided at the time of application to assess affordability. They said they carried out a credit search in Miss S's name to assess Miss S's level of debt at that time and to understand how she had been managing that debt. With that information and using their own scoring metric, Zopa decided to agree to the credit limit of £800. So, there was some assessment of affordability at the time of the lending decision.

I have noted that Miss S's credit file was reasonably clean at the time of the credit card application. When I say this, I mean that Miss S's management of her existing credit was largely good. Miss S has provided her credit file and that shows that Miss S had one late payment on another credit card nine months before this lending decision was made. And it showed that there was a default on another account for a modest amount that was settled six months before this lending was granted. I can see that things were not so good in 2022,

but I must look at the information that was or could have been available to Zopa at the time it made its lending decision, and not to use hindsight.

Having done so, I think that had Zopa seen the credit file Miss S showed us, I think they would have seen insufficient reason not to offer the modest amount of credit it provided Miss S in December 2021.

So, it seemed from the credit file that at the point that the lending decision was made, Miss S was affording her existing credit. And this ties in with the results of Zopa's credit checking. So, Zopa were not put on notice of any reason not to agree the lending from that. And so, I don't think that the information that Zopa had at the time of the lending decision, would have led them to feel they ought to make more searching enquiries of Miss S's financial situation.

Having considered all the submissions made to me in this case, I have seen insufficient evidence that the other information that Zopa acquired or had presented to it at the time of the lending decision, would have led them to think that the credit they were offering was unreasonable.

So, having considered all the submissions made in this case, I have seen insufficient evidence to think that the credit Zopa provided to Miss S was unreasonable.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 14 December 2022.

Douglas Sayers  
**Ombudsman**