

The complaint

Miss P complains that Lendable Ltd trading as Zable lent to her irresponsibly.

What happened

Miss P's complaint is about a credit card supplied by Lendable.

The account was opened in October 2021 with a credit limit of £200. The credit limit was increased to £500 in January 2022.

Miss P complains that Lendable lent irresponsibly to her.

Lendable didn't uphold the complaint. So Miss P brought her complaint to this service.

Our investigator didn't uphold the complaint. He said that Lendable had completed reasonable and proportionate checks before opening the account and before approving the credit limit increase. The investigator didn't think that Lendable had acted unfairly when approving the application and the credit limit increase.

Miss P didn't agree so I've been asked to make a final 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.

Our general approach to complaints about unaffordable and irresponsible lending is set out on our website. I've had this approach in mind when considering Miss P's complaint.

Lendable needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice, this means that it should've carried out reasonable and proportionate checks to make sure Miss P could afford to repay what 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 Miss P's income and expenditure and credit history.

Account opening and credit limit increase

Lendable reviewed the information that Miss P provided on her application. Miss P stated that she had a net monthly income of £2,005. Lendable verified this using an industry standard income verification tool and verified Miss P's income at £1,983.

Lendable also carried out credit checks. These showed no recent adverse information. There were four defaulted accounts, all of which were over 12 months old. The credit checks showed that Miss P had seven active accounts. None of these had any arrears.

Lendable carried out the same checks before the credit limit increase was approved.

Based on what I've seen, I'm satisfied that Lendable carried out reasonable and

proportionate checks before opening and before approving the credit limit increase.

I've gone on to consider whether Lendable acted fairly when it lent to Miss P, taking into account the information gathered from the checks.

I've reviewed the information. There's nothing to suggest that the lending was likely to be unaffordable for Miss P. I say this because there's no evidence that Miss P was in financial difficulty at the time she applied for the credit card or at the time when the credit limit was increased. Her existing consumer credit commitments were being met with no arrears. The defaulted accounts were more than 12 months old. The affordability checks carried out by Lendable showed that Miss P had sufficient disposable income to afford the repayments.

Based on what I've seen, I'm unable to say that Lendable acted unfairly when it opened the credit card account and when it approved the credit limit increase.

I've thought about whether Lendable acted unfairly in some other way. Miss P has said that she struggled with repayments as soon as she took out the card. I can see that Miss P made the minimum payment every month until March 2022 when the account fell into arrears. I'm sorry to hear that Miss P's financial circumstances have changed. However, there's nothing to suggest that Miss P was struggling financially when the account was opened or when the credit limit was increased.

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 Miss P to accept or reject my decision before 1 June 2023.

Emma Davy
Ombudsman