

## **The complaint**

Mrs A complains that Chetwood Financial Limited trading as LiveLend (LL) lent to her irresponsibly.

## **What happened**

In March 2019 Mrs A applied to LL for a loan. LL approved the application and gave Mrs A a loan for £2000 repayable over a term of 24 months with monthly repayments of £99.07.

Mrs A complained that LL had lent to her irresponsibly. She said she didn't think LL had carried out adequate checks, and said that if it had done, it would've seen that she had other debt at the time she applied for the loan.

LL didn't uphold the complaint. It said it had carried out proportionate checks before lending to Mrs A.

Mrs A wasn't happy with the response and complained to this service.

Our investigator didn't uphold the complaint. He said LL had carried out reasonable and proportionate checks and that the lending decision was fair.

Mrs A didn't agree. She felt that her bank statements showed that she had a gambling problem and showed that she was utilising her overdraft facility.

## **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.

We've set out our approach to complaints about irresponsible and unaffordable lending on our website. I've had this approach in mind when considering Mrs A's complaint.

Before agreeing to lend, LL needed to complete reasonable and proportionate checks to ensure that Mrs A could sustainably repay what was being lent to her. There's no set list of checks that a lender has to carry out. But checks need to be reasonable and proportionate and should have regard to factors such as the amount of the loan, the total sum repayable, the term of the loan, the monthly repayments and the consumers individual circumstances.

Mrs A declared monthly income of £3119 when she applied for the loan. LL tried to verify this income using a third party tool. However, there was no data available to verify the income declared by Mrs A. So instead, LL checked Mrs A's credit score and gross annual income to satisfy itself that Mrs A earned this level of monthly income.

LL carried out a credit search and discovered that Mrs A had existing unsecured debt repayments of around £845 per month. This was excluding repayment of the new loan. Overall (including the new loan) Mrs A would be using around 30% of her income to repay debt. The credit check showed that Mrs A was up to date with all payments on her other credit accounts. There was one adverse entry – a payment arrangement – in relation to an

account which was now settled. Mrs A declared living costs of £1200 when she applied for the loan. She also declared housing costs of £309 per month. LL used this information to calculate that Mrs A had monthly disposable income of around £978 (if housing costs were included in the living expenses figure) or £669 (if housing costs weren't included in the living expenses figure).

Based on what I've seen, and having regard to the amount of the loan and the level of monthly repayment, I think the checks carried out by LL were reasonable and proportionate. I haven't seen anything in the information gathered from the checks which meant that LL should have carried out further or more detailed checks.

I've gone on to consider whether the lending decision was fair. I've looked at the information gathered by LL. There's nothing to suggest that Mrs A was struggling to repay her existing debt or that she was unlikely to be able to sustainably repay the new loan. I appreciate that Mrs A experienced financial difficulties in late 2019/early 2020 but this was after the date when the loan was approved and I don't think LL could've foreseen that this would happen.

I've taken on board what Mrs A has said about her bank statements showing that she had a gambling problem. However, there's no obligation on a lender to look at bank statements and as I've already said, I think the checks carried out by LL were reasonable and proportionate in the circumstances.

### **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 A to accept or reject my decision before 19 July 2023.

Emma Davy  
**Ombudsman**