

## **The complaint**

Mr W complains that Lendable Ltd trading as Zable lent to him irresponsibly.

## **What happened**

In September 2021 Mr W applied for a credit card with Zable. Zable approved the application and gave Mr W a card with an initial credit limit of £500. The credit limit was increased to £800 in January 2022.

Mr W complained that Zable had lent to him irresponsibly.

Zable didn't uphold the complaint. It said it had carried out reasonable and proportionate checks before lending to Mr W.

Mr W remained unhappy and complained to this service.

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

Mr W didn't agree. He said that his bank statements showed that he was heavily reliant on his overdraft at the time he applied for the card and that he had taken out several cards to fund his gambling addiction.

## **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 Mr W's complaint.

Before agreeing to lend, Zable needed to complete reasonable and proportionate checks to ensure that Mr W could sustainably repay what was being lent to him.

There's no set list of checks that a lender has to complete. But lenders are required to have regard to things like the amount being lent, the total amount repayable, the monthly repayment and the consumer's individual circumstances when deciding what's reasonable and proportionate.

I've looked at the checks that Zable carried out before approving the application. Mr W declared that he was employed with a net monthly income of £1975. Zable verified this income using an industry tool.

Zable also carried out a credit check. This showed that Mr W had 3 credit cards, 2 mail order accounts, an unsecured loan, 4 current accounts, a utility account and 2 telephone accounts. All of the accounts were up to date except for one of the phone accounts which had defaulted. There was no evidence on Mr W's credit file of missed payments, arrears or CCJ's.

Zable carried out an affordability check using the information it had gathered. This showed that (based on making payment of 3% of existing credit commitments and the minimum payment of 5% on the new card) that Mr W would be using around 20% of his monthly income to repay credit.

Based on these checks, Zable found the credit to be affordable for Mr W.

Based on what I've seen, I think the checks completed by Zable were reasonable and proportionate, having regard to the relatively low credit limit on the account. There was nothing in the information gathered which would've given Zable cause for concern, or which would've necessitated further checks.

These same checks were completed before the credit limit was increased. There hadn't been any significant changes in Mr W's financial position since the account was opened. So again, I'm satisfied that the checks were reasonable and proportionate.

I've gone on to consider whether the lending decision was fair.

The information gathered by Zable showed that Mr W was paying his existing credit commitments on time. There was nothing in the information to suggest that Mr W was struggling financially, or that he was overly reliant on credit.

The information also showed that Mr W had sufficient monthly disposable income to afford the credit. There was nothing to suggest that Mr W was unlikely to be able to sustainably repay the lending. Because of this, I think the lending decisions in respect of both the account opening and the credit limit increase were fair.

I appreciate that Mr W's bank statements may have shown that he had a gambling addiction. However, there's no obligation on a lender to look at bank statements and as I've said above, I'm satisfied that the checks carried out by Zable were reasonable and proportionate. So, I can't say that Zable has done anything wrong by not looking at Mr W's bank statements. Nor can I say that Zable ought to have been aware that Mr W had a gambling addiction, because there's nothing to suggest this in the information obtained from the credit file and I can't see that Mr W made Zable aware of these issues.

Taking all the information into account, I'm not persuaded that Zable lent irresponsibly to Mr W.

### **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 Mr W to accept or reject my decision before 3 August 2023.

Emma Davy  
**Ombudsman**