

## **The complaint**

Mr H complains about Zopa Bank Limited's ("Zopa") handling of his loan application.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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 know it will disappoint Zopa, but I agree with the investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Zopa didn't have to lend to Mr H; they were entitled to take a business decision regarding the risk they were prepared to take on. But I don't think they were fair and reasonable in the way they approached Mr H's application and I think they caused him unnecessary distress and inconvenience that they haven't adequately compensated him for.

Mr H made his loan application on 10 October 2023 and Zopa required some more information from him before they could approve any lending. They asked Mr H to upload his payslip but when Mr H didn't receive a response he called to check progress with Zopa. On three separate occasions I can see that he was told to upload his documents to various addresses, but I can't see that Zopa ever told him they had received the documents; despite Mr H having provided evidence he had sent them. Mr H was also promised calls back on several occasions and didn't receive them, and by the time Zopa did get back to him about his query, it was too late as Mr H's application had timed out because it had been with Zopa for more than 28 days.

Mr H has explained the impact this has had on him. I understand he had started a new job and was looking for a car. He's explained that the lack of a vehicle meant he had to get the bus and that he has suffered anxiety as a result of the chasing he's had to do. It's also unclear (and Zopa can't clarify) whether the hard search Zopa promised to remove from Mr H's credit file has been removed. While I accept that, alone, is unlikely to have much impact on Mr H's ability to obtain credit, it is something I can understand Mr H would want addressing as quickly as possible. He's been put to more inconvenience than necessary as he's been asked by Zopa to contact the credit reference agencies about it. Zopa have

offered Mr H £60 in compensation but given the distress and inconvenience caused, I don't think that's sufficient, and I think they should pay him £200 in total.

### **My final decision**

For the reasons I've given above, I uphold this complaint and tell Zopa Bank Limited to pay Mr H £200 in compensation for the distress and inconvenience they have caused him. They can deduct £60 if that has already been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 May 2024.

Phillip McMahon  
**Ombudsman**