

The complaint

Mr A complains about issues with Lendable Ltd (trading as Zable) when he applied for a loan.

What happened

Mr A says he applied for a loan with Zable on 27 June 2024 and was initially offered £9,400, which was revised to £9,200 on receipt of his payslip. He says that when he tried to proceed, the system was still showing £9,400 and he was unable to add the required bank details or sign the documents. After multiple attempts he says he contacted Zable many times during July, but none of the proposed solutions worked. Mr A says that eventually he was advised to withdraw his application and reapply when he was then declined. Mr A adds that he has had to borrow money from a friend in the meantime and his ongoing mental health issues have worsened as a result.

Zable says it identified a technical problem in which some customers could not see their updated quotes. It says Mr A should not have been advised to cancel his existing application and offered him £50 by the way of an apology for that. However, Zable added that the loan had only been pre-approved and would have still been subject to review had it not been cancelled.

Mr A said the situation caused him to apply for multiple other loans, leaving his credit file in a poor state, and the stress led to him over-spending on existing credit cards and overdrafts. He says he now owes around £7,000, and £50 is not even close to compensating him for that and the effect on his mental health.

Our investigator recommended the complaint should be upheld. She considered Mr A had experienced numerous issues and that £150 was a more appropriate level of redress for this.

Zable responded to say, in summary, that it felt everything possible was done to assist Mr A with his application and that £50 is an appropriate offer. It added that there was no guarantee the loan would have been approved, even if Mr A had not cancelled the application.

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.

Following his application on 27 June 2024, Mr A received an email on 29 June which said:

Below are the details of what we can offer:

- £9,200 over 18 months
- APR: 48.37%
- Monthly repayment: £688.44

Funds can be in your account within a few minutes once the steps below are complete:

- *Log in to your Zable - Powered by Lendable account using the link below to enter your bank details.*

Click here to view your quote or get this loan.

Based on the above wording, I don't find it unreasonable that Mr A believed the loan was fully approved, especially as Zable had revised the offer downwards from the original application for £9,400.

When Mr A couldn't enter his bank details, he called Zable on 1 July 2024. I have listened to the call and although Mr A was told he would receive an email when the technical issue was resolved, he was not told that the loan was not fully approved.

Mr A was then told the same day that he could proceed with the loan, even though the system was still showing the higher loan amount, but he continued to have the same problem entering his bank details.

As Mr A still hadn't been able to complete the loan by 4 July 2024, he called Zable again. This was almost a week after he was led to believe the money could be in his account within a few minutes. It was then that Mr A was told that an earlier unsuccessful application through a third party may be causing the issue. Mr A was advised he could cancel the application and re-apply, to which he agreed, but was told the new application would be subject to further checks and the earliest he could re-apply would be 28 July.

On 8 July 2024, Mr A complained he'd been misled into cancelling the original application as further applications had been unsuccessful. He asked for the previous offer to be reinstated, as it was valid until 18 July, but was told that wasn't possible.

Based on the above, I'm not satisfied that Zable ever fully resolved the issue with Mr A's problems entering his bank details. He was originally told it was a technical issue, but then advised it could be due to an earlier unsuccessful application through a third party. Zable has now said that the application was cancelled before the technical team had completed their investigation into what had caused the problem.

I acknowledge that Mr A borrowed money from friends with the intention to pay it back with the loan money. Given what he was told in the original email I don't consider that was unreasonable. I also understand that Mr A made multiple subsequent loan applications and spent excess money using his existing credit facilities. Much as I empathise with the reasons

for Mr A's decisions, I can't conclude that Zable should be held financially responsible for Mr A's subsequent £7,000 debt or poor credit record.

However, Zable:

- Implied in its email that receiving the loan money was a formality;
- Never fully explained the reason Mr A was having system issues;
- Gave contradicting information about the problems he was having;
- Advised Mr A to cancel his existing application;
- Caused Mr A to spend many days chasing up his loan application, including at least 40 minutes on phone calls;

Putting things right

Given the usual level of awards that this service makes, I consider the £50 offered by Zable is insufficient and that £150 would be a more appropriate amount.

My final decision

My decision is that I uphold this complaint. Lendable Ltd (trading as Zable) should pay £150 for the inconvenience and distress caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 February 2025.

Amanda Williams
Ombudsman