

The complaint

Mr D complains that Lendable Ltd irresponsibly provided him with credit.

Mr D is supported in bringing this matter by a representative. But, for ease, I'll refer to actions and submissions as being those of Mr D himself.

What happened

In August 2020, Lendable provided Mr D with a loan for £5,500. The loan term was 60 months and Mr D was required to make 59 monthly payments of £145.59 followed by a final payment of £199.13.

In summary, Mr D says a proper review of his circumstances would have shown that the loan was unaffordable for him. He says he was struggling to pay for essentials due to the repayments towards the loan, and he was juggling lots of debt at the time. He says he had recently taken out other lending, and had also defaulted on some agreements.

Lendable reviewed matters but didn't recommend that the complaint be upheld. In summary, it said the loan was issued in line with its lending criteria and was affordable based on the information available to it.

Mr D remained unhappy and brought his complaint to this service. An Investigator here reviewed matters and thought the checks Lendable carried out were reasonable and proportionate and demonstrated that the lending was likely to have been affordable for Mr D.

Lendable agreed with this position, however Mr D requested an Ombudsman's final decision. So, the case has been passed to me to decide.

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.

Having done so, I don't think that Lendable has acted unfairly here and I'll explain my reasons why. I want to thank the parties for providing the information this service has requested. I've taken into account all of the information on file, although I may not have commented on everything. I don't mean any discourtesy by this approach; rather, it's to align with our purpose as an informal service.

The rules and regulations in place at the time Lendable provided Mr D with credit required it to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means Lendable had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr D. In

other words, it wasn't enough for Lendable to consider the likelihood of it getting the funds back – it had to consider the impact of any repayments on Mr D.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Lendable did what it needed to before lending to Mr D.

As I understand it, in his application, Mr D declared that he was employed full time earning a net monthly income of £1,890. Lendable verified this using an external source. As I understand it, Mr D declared his mortgage payments as £150, which I've understood to be a monthly payment.

Lendable carried out a credit search which showed that Mr D had around £15,000 in unsecured balances, made up of both revolving and non-revolving debts. The information showed that Mr D was managing his debt well in recent months. Mr D had some defaults that had been recorded over 12 months before the application, though these appear to have been settled.

Lendable then used the information from the credit search to understand what Mr D was paying towards credit at the time – including a mortgage, credit cards and loans. It considered this, alongside the other information gathered from Mr D, to determine that the lending was likely to have been affordable for him.

I'm persuaded that the information gathered suggested that the loan was likely to be affordable for Mr D. I say this especially considering that the credit file didn't reveal any signs of recent difficulties, nor did Lendable's checks flag up any obvious causes for concern. I'm also conscious that Mr D says he used the funds from the loan to pay off other credit. So, it's certainly possible that he may have bettered his situation in doing so.

Therefore, having thought carefully about all the circumstances, I don't think Lendable's checks revealed anything to suggest the loan would be unaffordable. So, I think its checks were reasonable here, and it wasn't wrong to lend to Mr D.

Finally, I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Lendable lent irresponsibly to Mr D or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 October 2025.

Hana Yousef
Ombudsman