

The complaint

Mr C complains that Lendable Ltd was irresponsible in its lending to him. He wants all interest and charges he has paid refunded and any adverse information removed from his credit file. He also wants an affordable repayment plan to be set up.

What happened

Mr C was provided with a loan by Lendable of £4,500 (plus £265 of fees) in August 2021. The loan term was 36 months and Mr C was required to make 35 monthly repayments of £200.27 followed by a final repayment of £158.09.

Mr C said at the time of the lending he had defaulted on several accounts and had numerous missed payments recorded on his credit file. He said he was unemployed and proper checks weren't carried out to assess if he could afford the repayments. He said when he asked for help, he was denied assistance from the specialist team that could have helped him. He said he hasn't been able to afford the loan repayments.

Lendable issued a final response dated 20 November 2024. It said that before the loan was provided credit worthiness checks took place. It said that Mr C applied for the loan through a third-party platform. It explained that in this process, soft checks are initially carried out to provide an initial creditworthiness assessment and then a full check is carried out by Lendable. It said that it provided clear information about the loan including the interest rate, cost of credit and other key terms.

Regarding Mr C's application, Lendable said that he declared himself employed with a net monthly income of £2,740. It said that it was reasonable it relied on this information. It said its credit check showed Mr C had 12 active accounts and that he had an account that defaulted in 2016. It said that based on its checks there was nothing that it was aware of that meant the loan shouldn't have been provided.

Lendable noted Mr C's comment about not being provided with support. It said that a final response to this issue was sent in June 2022, and it didn't consider this issue further.

Mr C referred his complaint to this service.

Our investigator thought the checks Lendable completed before the loan was provided were proportionate to the lending being offered. He noted that it verified Mr C's monthly income and that Mr C's active unsecured debt balance was low in comparison to his declared income. He then assessed whether the information gained through the checks raised any concerns. However, as he thought the information supported the loan being affordable, he didn't find that Lendable was wrong to provide this to Mr C. Our investigator noted that Mr C's complaint about the lack of support being offered had been dealt with by Lendable previously and didn't consider this further.

Mr C didn't accept our investigator's view. He said that Lendable's income verification was flawed. He noted the comment that he needed to provide accurate information but said that his income figure was pre-filled on the third-party platform, and he wasn't given the

opportunity to amend this. He said that if Lendable was relying on a third-party to provide income details it needed to be able to ensure these were accurate. He noted that Lendable had said it verified his income but said this was based only on incoming bank deposits without accounting for his essential outgoings, existing credit commitments and any income volatility.

Mr C noted that this complaint was about the loan but said that his complaint about a credit card provided by Lendable in the same timeframe as this loan was upheld. He said it was inconsistent not to uphold this complaint as well. Mr C noted that his complaint about the support he had received hadn't been considered as the final response had been issued in June 2022 and he hadn't referred this to this service within six months. However, he said that the delay was due to him waiting to get access to the information following his Data Subject Access Request.

Our investigator explained that Mr C's comments about the support issue being within our jurisdiction due to there being exceptional circumstances would be dealt with separately and this decision would deal with his irresponsible lending complaint. As a resolution hadn't been agreed in regard to this part of his complaint, this case has been passed to me, an ombudsman, to issue a 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.

As has been explained, this decision is about Mr C's complaint that Lendable was irresponsible when it provided him with a loan. Mr C has said that his complaint about his credit card was upheld and so he believes this complaint should also be upheld. While I note Mr C's comment, we treat each case based on its individual merits. While I take all relevant rules, regulations and guidance into account, my decision is based on what I consider to be fair and reasonable based on the unique circumstances of the complaint. In this case, my decision is about whether Lendable acted irresponsibly by providing Mr C with a £4,500 loan in August 2021.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Before the loan was provided, Lendable gathered information about Mr C's employment, income and residential status. I note Mr C's comment about the income information being pre-filled, but I think it reasonable that Lendable would rely on the information provided through the application so long as its other checks didn't raise concerns about this. In this case, Lendable verified Mr C's declared income through a credit reference agency tool. As this provided a high confidence indicator for the income figure provided, I think it was reasonable that this was relied on.

Mr C's credit report showed he had existing credit commitments. There was a default recorded with a default date of September 2016. As this was historic – recorded around five years before this application – I do not think this meant the loan shouldn't have been provided. However, as Mr C had experienced previous financial difficulties, it was important

to assess how he was managing his active credit commitments.

Mr C's credit check showed he had 12 accounts. He had no county court judgements or bankruptcies recorded and no recent delinquent or defaulted accounts. His total outstanding balances were noted as £2,283 which consisted of the balance on the defaulted account of £1,378 and the remaining was revolving credit. Mr C's utilisation of his revolving credit limits was noted as 57% which doesn't raise concerns that he was struggling to maintain his accounts within their limits. In the months leading up to the Lendable application, Mr C had missed a payment on one of his accounts. This was four months prior to the application and the account had been brought up to date the following month. Therefore, I do not think this is enough to suggest Mr C was struggling to manage his accounts noting that his other accounts were being managed without any recent issues.

Taking everything into account, I do not think that Lendable was wrong to rely on the information it gained through its checks. And noting Mr C's declared income and the amount that he would need to pay based on his credit commitments, I do not think this suggested that the repayments due under the Lendable loan would be unaffordable for Mr C. Therefore, I do not uphold this complaint.

I've also considered whether Lendable acted unfairly or unreasonably in some other way given what Mr C has complained about, including whether its relationship with Mr C might have been viewed as unfair by a court 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 C 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 do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 April 2025.

Jane Archer
Ombudsman