

## The complaint

Mrs K has complained on behalf of her son, Mr K, that Everyday Lending Limited unfairly provided Mr K with a loan. She's said Mr K took out a loan he couldn't afford, and Everyday Lending failed to appropriately consider his circumstances.

## What happened

On 15 April 2024, Mrs S entered into a loan agreement with Everyday Lending as shown below, to consolidate his debt.

Date	Amount of credit	Term	Monthly payment	Total repayable
15 April 2024	£2,100	24 months	£205.15	£4,923.60

On 08 August 2024, Mrs K on behalf of Mr K complained to Everyday Lending. In the complaint, Mrs K said she didn't think Everyday Lending had lent responsibly to Mr K. She felt it had failed to take into account his age and that he was an apprentice and so on a low income. She felt the interest Mr K was being charged was excessive and that it hadn't been properly explained to him.

Everyday Lending looked into the complaint but said it didn't think it had acted unfairly. It said it confirmed the agreement was affordable for Mr K by checking the information the credit reference agencies held about him and going through Mr K's income and expenditure in detail with him. Having done this, it felt the agreement was affordable for Mr K.

Mr K didn't accept Everyday Lending's response, so with the help of Mrs K he referred his complaint to our service. One of our investigators looked into the complaint, but based on the evidence available, said she couldn't reasonably conclude that the lending was irresponsible, or that the relationship was unfair.

Mr K didn't accept what our investigator said so as there was no agreement, the complaint 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.

I can see and hear from the communications with this service and Everyday Lending that Mrs K feels very strongly that Mr K was lent to irresponsibly. So I'll be considering whether Everyday Lending acted fairly and reasonably in lending to Mr K taking into account the relevant rules and legislation.

Under the regulations – specifically the Consumer Credit Sourcebook (CONC) – a firm such as Everyday Lending must undertake a reasonable assessment of the creditworthiness of a customer before entering into a credit agreement with them.

It's my role here to establish whether Everyday lending did enough to establish Mr K's creditworthiness. To do this I think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did Everyday Lending carry out reasonable and proportionate checks to satisfy itself that Mr K was in a position to sustainably repay the credit?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Everyday Lending make a fair lending decision?
- Did Everyday Lending act unfairly or unreasonably towards Mr K in some other way?

Everyday Lending had to carry out reasonable and proportionate checks to satisfy itself that Mr K would be able to repay the credit sustainably. It's not just about Everyday Lending assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on him.

There is no set list of checks that it had to do, but it could take into account several different things such as the type, amount, and length of the credit, the amount of the monthly repayments and the overall charge for the credit.

Everyday Lending has explained that it carried out a full credit search to get an understanding of Mr K's situation before it decided to lend to him. It said this revealed his level of active borrowing was reasonable, he had no County Court Judgements (CCJs) debt management plans, bankruptcies, IVAs, defaults or late payments. Given this, Everyday Lending was content to continue with its checks.

Before lending to Mr K it asked him to provide his bank statements for the two current accounts it was aware of. Everyday Lending asked Mr K to attend an appointment at its offices to go through his statements and affordability in detail, and to go through the loan information.

Taking account of the level and cost of the lending, I think these checks were proportionate. So, I've gone on to consider whether Everyday Lending made a fair lending decision based on the information available to it

I've reviewed Mr K's statements for both accounts that were made available to Everyday Lending. When completing an income and expenditure Everyday Lending found that Mr K would have a disposable income of £223.67 after accounting for living expenses, payments to existing creditors, and the new loan. Mrs K has questioned some of the figures used by Everyday Lending in its calculations, so I have checked the statements myself and having done so, I think Mr K would have had a disposable income of between £200 and £300 a month once his essential expenditure had been considered. I've included in these calculations, the sum Mr K declared for board payments, a reasonable sum for food and leisure activities, alongside his credit card and finance repayments, and other repayments for tools of his trade.

Given this I think the figure Everyday Lending arrived at for Mr K's disposable income was reasonable. I can also see from its notes that Everyday Lending asked Mr K questions about the other expenditure on his accounts. Mr K confirmed the amount he would be spending on leisure, haircuts and board payments to his parents going forward. Everyday lending queried the larger payments going to a third party from his account and Mr K confirmed these payments were to his mother and included a sum for board a lodging and then some money for her to put into savings for him. He also explained that his mum paid for his phone contract.

Mrs K has said that Everyday Lending failed to take into account a third current account Mr K had and other debts that he was repaying through her. She also said that his board payments were £50 more than Mr K had declared and that he was paying her a sum for his phone bill.

I can understand Mrs K's concern here, but I can't see that either the third current account, a mobile contract, or any other debts appeared on Mr K's credit file at the time of lending. So, I don't think it's unreasonable that Everyday Lending weren't aware of these. I also can't see that Mr K made it aware of any error in his calculations for the outgoings he declared. Lenders are entitled to rely on the evidence gathered from the credit reference agencies (CRA) and their customers. And I can't see anything in the information available to me that meant Everyday Lending should have been aware of any discrepancies in the information they gathered from Mr K or the CRA.

So, whilst I understand Mrs K's concerns, I can only consider the information that was available at the time of the lending decision and based on the information available to me, I can't reasonably conclude that Everyday Lending acted unfairly when it agreed to lend to Mr K.

Mrs K has also said that Mr K is young and didn't understand the interest rate and what that meant when he took out the loan. I can understand the concerns here given the level of the interest rate, but I think it would be helpful here for me to explain that I can't comment on commercial decisions – such as whether a particular interest rate is fair or reasonable. But I can consider whether a business made that rate of interest reasonably clear to its customer.

Whilst I understand Mrs K's point of view here, Mr K is an adult and so there was no restriction on Everyday Lending, lending to Mr K from this perspective. I can also see from the loan agreement Mr K signed, that he was made aware of what the interest rate was, what his monthly payments would be, and the total amount he would pay under the agreement. So, I think Everyday Lending fulfilled its obligations in ensuring this information was available to Mr K, so he could raise any concerns he had about the costs involved before taking out the loan.

I appreciate the strength of feeling on this matter and I'm sorry to disappoint Mr K. But based on the available evidence, it's not clear enough to me that Everyday Lending created unfairness in its relationship with Mr K by lending to him irresponsibly. So, I don't find that Mr K's relationship with Everyday Lending or its decision to lend to him was unfair, and I can't conclude Everyday Lending treated Mr K unfairly in any other way based on what I've seen.

### **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 K to accept or reject my decision before 25 July 2025.

Charlotte Roberts  
**Ombudsman**