

The complaint

Mr Y complains that Lendable Ltd trading as Zable irresponsibly lent to him.

What happened

Mr Y was approved for a Zable credit card in May 2022 with a credit limit of £500. I have detailed out the credit limit increases below:

July 2022	£500 to £800
December 2022	£800 to £1,000
August 2023	£1,000 to £1,200

Mr Y says that Zable irresponsibly lent to him. He says he had substantial amounts of debt with lenders, and he was going through a severe gambling addiction. Mr Y made a complaint to Zable, who did not uphold his complaint. Zable said all of the affordability criteria was met to lend Mr Y the funds. Zable said they would pay Mr Y £25 because the complaint response was late. Mr Y brought his complaint to our service.

Our investigator did not uphold Mr Y's complaint. He said Zable's checks were proportionate and they made fair lending decisions. Mr Y asked for an ombudsman to review his complaint. He made a number of points. In summary, Mr Y said that the income figures Zable used were flawed, and the initial income declared was his gross monthly income, not his net monthly income.

Mr Y said that any temporary income increases were likely through borrowing from friends and family to maintain appearances and service other debt. He said his gambling addiction should have been clearly visible through his credit behaviour. He said by the time of the last credit limit increase, his debt had significantly increased. Mr Y forwarded a secondary bank account statement to our service, and he said he did not have sustainable income prior to the last credit limit increase.

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.

Before agreeing to approve or increase the credit available to Mr Y, Zable needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Zable have done and whether I'm persuaded these checks were proportionate.

Acceptance for the Zable credit card

I've looked at what checks Zable said they completed prior to accepting Mr Y's application. I'll address the credit limit increases later on. Zable said they looked at information provided by Credit Reference Agencies (CRA's) and information that Mr Y had provided before approving his application. The information shows that Mr Y had declared a net monthly income of £3,558.17.

I know Mr Y disputes that this is his gross monthly income, and not his net monthly income, but it does appear to be recorded next to net monthly income on his application. So I'm not persuaded this was entered as his gross monthly income. But with that being said, Zable were able to verify Mr Y's income through information from a CRA as having at least £2,672.

The CRA that Zable used showed that Mr Y had defaulted on credit agreements in the past. It may help to explain here that, while information like a default on someone's credit file may often mean they're not granted further credit – they don't automatically mean that a lender won't offer borrowing. So I've looked at what Zable's other checks showed to see if they made a fair lending decision here.

The CRA did not report that any of Mr Y's active accounts were in arrears at the time of the checks. Mr Y was showing as having active unsecured debt of £7,591 from what I could see that CRA reported to Zable.

Zable used information from Mr Y (such as his rent payment), a CRA (such as his monthly credit commitments), and modelling to complete an affordability assessment for Mr Y. It would appear that Mr Y had a sufficient disposable monthly income to be able to sustainably afford repayments for a £500 credit limit.

July 2022 credit limit increase - £500 to £800

Zable's checks showed that Mr Y's unsecured active debt was no more than £7,600, so this was similar to his active unsecured debt at the account opening stage. He was showing as having no accounts in arrears at the time of the checks.

Although Zable verified income for Mr Y of £4,014 at this lending decision, this doesn't mean this was his actual salary. A CRA can report a Current Account Turnover (CATO), which is an industry standard way of assessing income. The CRA again reported Mr Y's monthly credit commitments to Zable.

Zable would have also been able to see how Mr Y managed his account leading up to this lending decision. Mr Y didn't have his account for long prior to this credit limit increase, but I can see that on his statement issued 28 June 2022 – the month prior to his credit limit being increased, he made repayments totalling £571.88. And he was actually in credit by 3p on his account.

So I'm persuaded that Zable's checks were proportionate here, and they made a fair lending decision to increase the credit limit to £800.

December 2022 credit limit increase - £800 to £1,000

Mr Y was showing as having active unsecured debt of no more than £3,300 at the time of these checks. So it appeared that not only Mr Y was able to service his active unsecured debt, but he was also able to reduce his active unsecured outstanding debt also, which I wouldn't expect him to be able to do if he was having financial difficulty here. The CRA reported that Mr Y had no active accounts in arrears at the time of the checks.

Mr Y did not incur any late or overlimit fees on his account since the last lending decision. In

addition to this he often used less than a quarter of his available Zable credit limit. Mr Y also often paid higher repayments than his minimum required payment, which could suggest he had the affordability to sustain repayments for a higher credit limit.

So I'm persuaded that Zable's checks here were proportionate, and they made a fair lending decision to increase the credit limit to £1,000.

August 2023 credit limit increase - £1,000 to £1,200

On the previous lending decisions Mr Y was showing as being part of a couple. But for this lending decision he was showing as being single. So it would appear that Mr Y had a change of circumstances since the last lending decision.

Mr Y was not showing as being in arrears at the time of the lending checks, but his active unsecured debt was showing as being no more than £13,900. So Mr Y's active unsecured debt was more than four times what it was at the last lending decision.

The CRA had verified Mr Y's income to be £1,708, which was lower than at each previous lending decision. So I'm persuaded that Zable should have completed further checks to ensure that the lending was affordable and sustainable for him.

There's no set way of how Zable should have made further proportionate checks. One of the things they could have done was to contact Mr Y to ask him why his debt had more than quadrupled and to find out if his income had dropped, and his outgoings had increased since the last lending decision. Or they could have asked for his bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for him.

Mr Y has provided me with his bank statements leading up to this lending decision. He does not finish a day overdrawn on either of the account statements he provided me for the three months leading up to this lending decision. Mr Y does look like he may borrow at times from friends and family, but he often repays what he's borrowed when his salary credits his account.

Mr Y has no returned direct debits during the three month period I looked at, and there were no recognisable gambling transactions that I could locate on the statements he provided to me. Mr Y's salary credits his account for at least £2,639 each month over the three statement periods I looked at, so this was a lot higher than the income the CRA verified for Zable.

I'm also mindful that Mr Y was paying at least 10% of his existing £1,000 credit limit each month, but in July 2023, the month prior to the credit limit increase, he paid more than this. The credit limit increase was for £200, therefore I would consider the minimum of £100 a month he was paying to Zable would be affordable and sustainable for him even if his credit limit increased to £1,200, and assuming he used all of this credit, as a £100 repayment would be over 8.3% of the credit limit.

So if Zable would have asked for Mr Y's statements as part of a proportionate check, I'm persuaded that they still would have increased the lending to £1,200, and I'm persuaded they made a fair lending decision to do so.

I can see that as Zable responded to Mr Y's complaint later than they should have done, so it appears they credited £25 to Mr Y's Zable account on 16 January 2025, the day after they issued the final response letter to them.

I've also considered whether the relationship might have been unfair under s.140A of the

Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Zable lent irresponsibly to Mr Y 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

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 3 October 2025.

Gregory Sloanes
Ombudsman