

The complaint

Mr A complains that Lendable Ltd trading as Zable (Zable) irresponsibly entered into a credit card agreement with him and increased his credit limit on several occasions, which he could not afford to repay.

What happened

In October 2021, Mr A applied for a credit card with Zable. He was given an initial credit limit of £200. This limit was increased to £350 in January 2022, increased again in January 2023 to £500, again in August 2023 to £800 and a final limit increase to £1,300 in April 2024.

In December 2024, Mr A complained to Zable to say that it shouldn't have given him the credit card, or the subsequent limit increases. He said that had Zable completed appropriate affordability checks it would have seen that the credit was unaffordable for him.

Zable didn't uphold the complaint. It said that it had carried out appropriate checks which showed that Mr A could afford the various credit limits it had provided him with.

Our investigator didn't recommend that the complaint should be upheld. They thought Zable had completed proportionate affordability checks and there was nothing in the checks that suggested Mr A wouldn't be able to afford the borrowing.

Zable accepted the investigator's view but Mr A didn't agree. Briefly his main points were:

- The checks completed didn't fully capture Mr A's financial situation. They didn't account for unsecured lending such as loans.
- The income figures used by Zable were not accurate as they were inflated by one-off overtime payments and not representative of what Mr A consistently earns each month.
- Mr A had to make sacrifices with essential living expenses to afford the minimum monthly repayments. So whilst it appears he can afford the repayments, he did not have the funds to meet his basic needs.

The complaint has been passed to me for a final 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.

Before each lending decision, Zable was required to complete proportionate checks to ensure the credit it was proposing to provide was affordable. There isn't a set list of checks a lender needs to complete in each and every case. Instead, Zable needed to ensure it did enough based on the specific circumstances of that lending decision. The things Zable needed to consider when deciding what was proportionate included (but wasn't limited to):

the type and amount of credit, the size and frequency of the repayments, the cost of the borrowing and Mr A's circumstances.

Account opening

At the time of the credit card application, Mr A declared his monthly income to be around £1,300. Zable completed a check and verified Mr A's income to be approximately £1,230. Mr A did not have much unsecured lending elsewhere, only two credit card accounts, five current accounts and a communications account. Zable calculated that repayments towards this unsecured credit accounted for only 5.8% of Mr A's income. Zable has explained that this left around 94% of Mr A's income to be used on living and other expenses, which totalled around £1,155.

I think it was reasonable of Zable to think that based on this information, Mr A would have enough disposable income left after paying his living expenses, to be able to afford the repayments towards the new account. I say this because the credit limit on the account was set at a low threshold of £200.

I have seen copies of Zable's credit checks from the time of each lending decision. At the time of the application, the credit check showed that two accounts had defaulted, the latest of which was around 18 months before this account opening and the balances of both accounts were settled. I note that there were also two credit card accounts with some late payments in 2020, however both accounts were closed and settled in full in early 2021. There were no other adverse entries on the credit check Zable completed. Whilst I accept that the credit check showed some signs of financial struggles, these had occurred many months before and Mr A had demonstrated he had brought the accounts back in line and was managing them all well at the time of the application.

I think that the checks Zable completed at the time of the application were proportionate to the size of the credit limit being applied of £200 and showed that Mr A could comfortably and sustainably afford payments towards the new credit commitment. I'm satisfied based on what Zable could see about his circumstances that it made a fair lending decision in relation to the account opening.

As I think Zable made a fair lending decision in relation to the account opening, I've gone on to consider the subsequent credit limits increases.

Credit limit increases

At the time of every credit limit increase, Zable conducted a credit check. I can see from these checks that there were no signs of any financial difficulties throughout the period of account opening until the last credit limit increase. There was no adverse information such as late payments or default markers present on any of the credit checks completed. Based on this, I think it's fair that Zable considered all accounts were being managed well by Mr A at the time of each lending decision.

I can see that at every credit limit increase Zable considered Mr A's income and his existing credit commitments. Mr A's income was verified and remained consistent (between £1,244 and £1,511). The checks show that whilst Zable was aware Mr A's credit commitments were increasing at the point of each lending decision, the maximum amount he owed appears to have been no more than £3,500 at any one time. Therefore, his monthly revolving credit commitment remained no more than £200 each month. This showed that Mr A had a substantial amount of his income available to meet his essential living costs.

Because the checks showed Mr A was managing his finances well and appeared to have a reasonable level of disposable income, I think that the checks Zable conducted were proportionate at every lending stage. I'm satisfied the checks showed Mr A could likely afford each relatively low credit limit increase and the lending decisions made by Zable were fair every time.

Mr A says that the checks completed did not account for all his credit commitments, such as loans. However, having seen a copy of all credit checks completed I can confirm that they included searching for loan commitments but it showed that Mr A had no loan accounts throughout the complete lending period. It's possible Mr A did have some loans, but if these didn't show on the credit checks Zable completed, it couldn't have reasonably been aware of them.

I note that Mr A feels the income figures used by Zable were not accurate. However, as I have explained above, I consider that Zable conducted the checks necessary to verify Mr A's income in his circumstances and used figures lower than had been declared by Mr A himself when assessing affordability for the credit. I've thought about what Mr A has said about the income being inaccurate, but there wasn't anything in the checks Zable completed that revealed that to be the case. The checks showed Mr A had enough disposable income to comfortably afford each credit limit increase. I think Zable carried out adequate checks on Mr A's income and I've not seen any reason for it to have questioned what it could see or a reason for why it should have done more detailed checks.

Mr A says he could not afford to meet his basic needs because he was making the monthly minimum payments. I am sorry to hear Mr A was struggling to manage his finances. However, I must look to see what Zable knew at the time of each lending decision. From the checks it completed, I can see no evidence to show that Zable could have been aware of the financial difficulties Mr A describes given the credit checks showed his accounts were managed well and his income appeared to comfortably cover his credit commitments with enough left over for reasonable living costs.

So, I've not seen anything to persuade me that Zable made unfair lending decisions in relation to the account opening or any of the subsequent limit increases.

In reaching my conclusions, I've also considered whether the lending relationship between Mr A and Zable might have been unfair to Mr A under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Zable did not lend irresponsibly when providing Mr A the credit card, or otherwise treat him unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

While it'll likely come as a disappointment to Mr A, I won't be upholding his complaint against Lendable Ltd trading as Zable (Zable) for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 January 2026.

Jenny Hiltunen
Ombudsman