

The complaint

Zopa Bank Limited provided Mr C with a £12,000 loan in May 2024 and a £10,000 loan in December 2024. Mr C says the loans were provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website and I've taken this into account in deciding Mr C's case.

I've decided the loans were provided fairly because:

- I don't think the checks Zopa did before providing the May 2024 loan were reasonable and proportionate given the amount applied for and what it knew about Mr C's financial situation.
- If Zopa had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the first loan to Mr C.
- Based on the information Mr C has provided about his circumstances at the time; there was nothing to suggest Mr C was likely to be unable to sustainably repay what he was being lent. And had Zopa carried out additional checks, I don't consider these likely would have shown Mr C was gambling at the time because I don't think they necessarily needed to review his statements to better understand his income and expenditure.
- I think the checks for the December 2024 loan were reasonable and proportionate given what Zopa knew about Mr C's financial circumstances.
- Given what Zopa knew about Mr C's circumstances and the fact he said this loan was for debt consolidation, there was nothing to suggest he was unlikely to be able to sustainably repay what he was being lent. In reaching this conclusion, I've placed weight on the fact this loan's repayments were around half of the first loan. So, Mr C would have had a greater disposable income if the loan was used for debt consolidation, as suggested in his application.
- I don't think Zopa acted unfairly in any other way.

This means I don't think Zopa did anything wrong when it provided the loans to Mr C.

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 don't think Zopa lent irresponsibly to Mr C or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr C hoped for. But for the reasons above, I'm not asking Zopa to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr C's complaint about Zopa Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 October 2025.

Sarrah Turay
Ombudsman