

The complaint

Mr W, through a representative, says Chetwood Financial Limited, trading as LiveLend, irresponsibly lent to him.

What happened

Mr W took out a loan for £8,000 over 30 months from LiveLend on 5 September 2019. The monthly repayments were £318.

Mr W says LiveLend failed to conduct proportionate checks and could have done more prior to lending.

LiveLend says it carried out an affordability assessment and a creditworthiness check that showed Mr W could afford the loan.

Our investigator did not uphold Mr W's complaint. They said LiveLend's checks were proportionate and it made a fair lending decision based on the information it gathered.

Mr W disagreed and asked for an ombudsman's review.

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 approach to considering unaffordable and irresponsible lending complaints on our website including the key relevant rules, guidance and good industry practice. I've had this approach in mind when considering Mr W's complaint.

LiveLend needed to take reasonable and proportionate steps to ensure that it didn't lend to Mr W irresponsibly. This means it should've carried out reasonable and proportionate checks to satisfy itself that Mr W could repay the loan in a sustainable way. These checks could take into account a number of things such as the loan amount, the repayment amount and Mr W's income and expenditure.

This means to decide this complaint I need to consider if LiveLend's checks were proportionate; if so, did it make a fair lending decision; if not, what would proportionate checks most likely have shown; and finally, did LiveLend act unfairly towards Mr W in some other way.

I've looked at the checks LiveLend carried out. Mr W declared a net monthly income of £2,797, housing costs of £500 and living costs of £800. He said he was in full-time employment and living with his parents. It verified his income using current account turnover data over the previous 12 months from an external source. It carried out a credit check to understand his credit history and existing credit commitments which were £296 a month. From all its checks combined it concluded Mr W would have £833 disposable income each month after taking on this loan and so it would be sustainably affordable.

I think these checks were proportionate given the monthly repayments relative to Mr W's income and the initial results, and that LiveLend made a fair decision based on the information it gathered. I'll explain why.

LiveLend's income and expenditure analysis showed Mr W could afford the loan on a pounds and pence basis. And its credit check showed he had £6,703 of active debt that was well-managed. There was no recent adverse data on his file. His credit utilisation was around 80% on a relatively low limit of £1,000. He had historically used payday loans but had no active agreements at the time he applied for this loan. Giving this loan to Mr W took his monthly spend on credit to 22% of his monthly income. So I don't think there were any indicators of current or pending financial pressure that LiveLend failed to consider.

It follows I don't find it was wrong for LiveLend to lend to Mr W. As he submitted bank statements from the three months prior to application I have seen that there was some financial instability at the time. But for the reasons set out above I don't think it would have been proportionate for LiveLend to carry out the depth of financial review needed to possibly discover this.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think LiveLend lent irresponsibly to Mr W 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 am not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 July 2025.

Rebecca Connelley
Ombudsman