

## The complaint

Miss G complains that JN Bank UK Ltd lent to her irresponsibly.

## What happened

Miss G applied for – and was given – a loan with JN Bank. The loan was to consolidate other debts and was agreed on the following terms:

Date	Amount	Term	Monthly repayment	Total payable
15 February 2022	£15,000	60 months	£343.94	£20,636.40

On 27 November 2024, Miss G complained to JN Bank. She said that if it had conducted proper checks on her application, it would have seen that she already had a loan with another bank, an overdraft as well as credit cards elsewhere. She says this loan was unaffordable for her. To resolve her complaint, Miss G asked JN Bank to refund all interest and charges paid on the loan plus statutory interest on that amount.

JN Bank looked into Miss G's complaint and issued a final response letter. It said when she applied for the loan, Miss G had declared an income of £2,173 per month and expenditure of £1,190 leaving £983 per month disposable income. It used an *"industry recognised affordability confirmation tool"* and JN Bank reduced her disposable income to £699.99 as a result of what it saw. But it felt this was still sufficient to meet the repayments to this loan on a sustainable basis. JN Bank also carried out a review of Miss G's credit file which raised no concerns. JN Bank felt the loan was affordable for Miss G and that it had lent to her responsibly. It didn't uphold her complaint.

Miss G didn't accept JN Bank's response, so she referred her complaint to this service. She's told us that she was vulnerable having been diagnosed with mental health issues and a neurodiversity condition.

Our investigators looked into the complaint. They noted that the evidence Miss G provided of her health diagnosis was dated a year or so after her application for the loan, and there was no evidence that she'd made JN Bank aware of any health concerns at the time.

They said the checks JN Bank had conducted were reasonable in the circumstances. They noted that JN Bank hadn't simply relied on what Miss G had told it and had reached its' own view of affordability of the loan. They recognised that the purpose of the loan was to consolidate debts elsewhere and was therefore likely to save her money and make budgeting easier. Our investigators didn't uphold the complaint.

Miss G didn't agree with our investigators' opinion of the complaint so, as there was no agreement, the complaint has been passed to me for a 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 approach to complaints about irresponsible and unaffordable lending on our website – including the key relevant rules, guidance, good industry practice and law. I've considered this approach when deciding this complaint.

JN Bank needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Miss G irresponsibly. I think there are key questions I need to consider in order to decide what is fair and reasonable in the circumstances of this complaint:

- Did JN Bank carry out reasonable and proportionate checks to satisfy itself that Miss G was in a position to sustainably meet the repayments?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did JN Bank make a fair lending decision?
- Did JN Bank act unfairly or unreasonably towards Miss G in some other way?

JN Bank had to carry out reasonable and proportionate checks to satisfy itself that Miss G would be able to repay the loan sustainably. It's not about it assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on her. There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the loan, the amount of the repayments and the overall circumstances of the borrower.

It is generally accepted that a business can rely on the information provided by an applicant unless it has reason to believe what it's been told is inaccurate. Miss G provided details of her income and expenditure as set out above, showing she had a disposable income of around £980. JN Bank made its own enquiries anyway and calculated a lower disposable income of £700. Either way, the loan appeared affordable on a sustainable basis.

JN Bank also carried out a review of Miss G's credit file and saw that the credit she had outstanding was up to date and consisted of a loan, credit cards, and overdraft. This loan would be sufficient to clear all that debt.

Based on the information provided by Miss G and that JN Bank found for itself, I think the checks carried out by the bank were reasonable and proportionate in the circumstances. I've seen nothing in the evidence provided by either party which makes me think the bank ought to have asked further questions. It follows that I think it reached a fair decision to agree this loan for Miss G.

#### Did JN Bank act unfairly or unreasonably towards Miss G in some other way?

I've carefully reviewed everything provided by Miss G and the bank. I note Miss G's concerns that JN Bank hasn't taken into account her vulnerability, but as our investigators said, the diagnosis of her conditions didn't take place until a year or so after this loan was agreed. While I understand she was experiencing some symptoms of those conditions for some time (and possibly when she applied for the loan) I've seen nothing to suggest that JN Bank was made aware – or ought to have become aware - of them.

I've also seen nothing to suggest that Miss G has contacted JN Bank to seek assistance with her repayments. If she is struggling to meet them or finds herself in financial difficulty, I would encourage her to contact the bank to discuss a repayment plan. I would remind JN Bank of its' obligation to treat customers in financial difficulties fairly.

**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 Miss G to accept or reject my decision before 17 November 2025.

Richard Hale  
**Ombudsman**