

## The complaint

Mr G has complained that Everyday Lending Limited trading as Everyday Loans unfairly provided him with a loan.

## What happened

On 16 January 2024, Mr G entered into a loan agreement with Everyday Loans as shown below. Mr G told Everyday Loans the loan was for debt consolidation. I can see Mr G fell into arrears with the loan shortly after taking it out.

Date	Amount of credit	Term	Monthly payment	Total repayable
16 January 2024	£2,000	24 months	£179.75	£4,314.00

In October 2024, Mr G complained to Everyday Loans with the help of a professional representative. In the complaint, Mr G said he didn't think Everyday Loans had lent responsibly to him. He felt it had failed to undertake a reasonable assessment of his creditworthiness at the time of the lending. He's said had Everyday Loans completed the appropriate checks it would have found the lending was unaffordable for him.

Everyday Loans looked into Mr G's complaint and issued a final response letter explaining it believed it had acted fairly in providing the credit. Everyday Loans provided a summary of the checks it had conducted and felt the agreement was affordable for Mr G. It said it had confirmed the agreement was affordable by checking the information the credit reference agencies held about him, checking his bank statements and using data from the Office for National Statistics (ONS).

Mr G didn't accept Everyday Loans' response, so he referred his complaint to our service with the help of his representative. One of our investigators looked into it, and based on the evidence available, our investigator said he didn't think Everyday Loans decision to lend was fair as the lending didn't leave Mr G with enough disposable income.

Everyday Loans didn't accept what our investigator said and asked for a final decision on the case. As no agreement could be reached, 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.

I think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did Everyday Loans carry out reasonable and proportionate checks to satisfy itself that Mr G was able to sustainably repay the credit?
- If not, what would reasonable and proportionate checks have shown at the time?

- Did Everyday Loans make a fair lending decision?
- Did Everyday Loans act unfairly or unreasonably towards Mr G in some other way?

Everyday Loans had to carry out reasonable and proportionate checks to satisfy itself that Mr G would be able to repay the credit sustainably. Everyday Loans needed to assess the likelihood of Mr G being able to repay the credit, as well as considering the impact of the repayments on him.

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 credit, the amount of the monthly repayments and the cost of the credit.

Did Everyday Loans carry out reasonable and proportionate checks to satisfy itself that Mr G was able to sustainably repay the credit? If so, did Everyday Loans make a fair lending decision?

Before lending to Mr G, I can see Everyday Loans spoke to him on the phone and reviewed his bank statements for the two months prior to lending. It also discussed Mr G's regular and essential expenditure and compared this with ONS data. It appears that where there was a difference between the figure Mr G gave and that provided by ONS, the higher figure was used in Everyday Loans calculations. It also checked Mr G's credit file and found that although he had other credit, he intended to consolidate some of this with the money he borrowed from Everyday Loans.

So, on the evidence available, I'm persuaded the checks Everyday Loans completed before providing the credit were reasonable and proportionate to the amount and type of credit it went on to approve.

However, I can see that following the checks, Everyday Loans established that Mr G would be left with a disposable income of £65.34 if he used the loan to consolidate his debts as planned. Whilst Everyday Loans took the decision to lend on this basis, I don't agree that this was a reasonable amount of disposable income to allow Mr G to be able to cover any unexpected expenses or financial shocks. Everyday Loans has argued that it included a buffer in its calculations. But as far as I can see this buffer was around £38 and I don't think it increases Mr G's disposable income by enough to ensure that he would be able to sustainably repay the loan and manage any unexpected costs. Everyday Loans has also argued the loan was over a relatively short period. But two years is a reasonable period of time, and I don't think the term of the loan ensures against the potential difficulties that could be caused by unexpected expenses, particularly with such a low disposable income.

So, based on the information Everyday Loans gathered and what it knew about Mr G's circumstances, I think it should have realised he was likely to be unable to sustainably repay what he was being lent.

### **Putting things right**

To put things right, I'd normally direct a business to put the complainant in the position they would be in now if the mistake it made hadn't happened, as far as is reasonably practical.

In this case, that would mean putting Mr G in the position he would be in now if he hadn't been given the loan. But Mr G had the benefit of the money Everyday Loans lent to him, so it's right he should repay what he borrowed.

So, I think Everyday Loans should:

- Calculate the total amount Mr G received from Everyday Loans and deduct from that figure the repayments he's made to the loan.
- If this results in Mr G having repaid more than he received, any overpayments should be refunded to him. Interest at a rate of 8% simple per year should be added to any overpayments from the date they were made until the date of settlement\*.
- If the calculation means there's still a balance for Mr G to pay, Everyday Loans should let him know how much is outstanding and reach a suitable, affordable payment plan with him. I remind Everyday Loans of its obligation to treat customers fairly.
- Remove any negative information recorded on Mr G's credit file regarding the loan once any balance has been repaid.

\*If Everyday Loans considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

My final decision is that I uphold this complaint. Everyday Lending Limited trading as Everyday Loans should put things right for Mr G, as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 October 2025.

Charlotte Roberts  
**Ombudsman**