

The complaint

Miss N complains that Everyday Lending Limited trading as Evlo was irresponsible in its lending to her. She wants all interest and charges refunded along with statutory interest and any adverse information removed from her credit file.

What happened

Miss N was provided with a £4,350 loan by Evlo in July 2024. The loan term was 36 months, and Miss N was required to make monthly repayments of £284.29. Miss N said that she was constantly in her overdraft at the time of the application and that the loan shouldn't have been given.

Evlo issued a final response to Miss N's complaint dated 6 March 2025. It said that the loan was intended for debt consolidation. It explained that before providing the loan it gathered information about Miss N's employment and income and received two months bank statements from Miss N's primary bank account. It also carried out a credit check and job check. Evlo said that its checks were proportionate and based on these the loan appeared affordable for Miss N.

Miss N referred her complaint to this service.

Our investigator thought the checks carried out before the loan was given were proportionate and as these suggested the loan to be affordable, they didn't uphold this complaint.

Miss N didn't accept our investigator's view.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue 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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Before the loan was provided, Evlo gathered information about Miss N's employment and income and her residential status. A job check was undertaken and copies of Miss N's bank statements requested. I think this information would have given Evlo a clear picture of Miss N's income and overall financial situation at the time.

A credit check was carried out. This showed that Miss N had £2,140 of outstanding loan balances and £1,692 of revolving credit. Noting that Miss N said the Evlo loan was for debt consolidation, and she had discussed wishing to consolidate all her debts into one single payment, I do not think the credit report raised concerns about the level of Miss N's debt. Miss N was managing her existing credit commitments with no adverse data recorded.

Given the credit check didn't raise concerns and noting that Miss N's income and employment were checked, I think the checks carried out before the loan was provided were proportionate.

I have then considered whether, based on the outcome of the checks, it was reasonable that the loan was given. Evlo carried out an income and expenditure assessment with the amounts discussed with Miss N. Miss N's net monthly income was recorded as £1,891 and amounts were deducted for Miss N's housing and other living costs and her existing credit commitments. This calculation showed that Miss N would have sufficient funds available to meet the Evlo loan repayments while leaving around £150 of disposable income for other unexpected costs. While this isn't a high amount, based on the costs included, I do not find I can say that the loan repayments appeared unaffordable for Miss N.

I've also considered whether Evlo acted unfairly or unreasonably in some other way given what Miss N has complained about, including whether its relationship with her might have been viewed as unfair by a court under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Evlo lent irresponsibly to Miss N or otherwise treated her 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

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 22 October 2025.

Jane Archer
Ombudsman