

The complaint

Mr H makes the following complaints against Everyday Lending Limited trading as Everyday Loans (“EDL”):

- It irresponsibly provided him with a loan he couldn’t afford;
- it encouraged him to take more credit than he’d asked for;
- It made excessive calls to him when he went into arrears;
- It incorrectly labelled maintenance payments;
- It incorrectly assessed his monthly expenses as income;
- It contacted him on a work number when his account was in arrears and
- It incorrectly asserted that he had made his application in branch as opposed to online.

•

What happened

Mr H applied for and was approved for a personal loan by EDL in June 2022. The loan was for £4,000 and was to be repaid over 36 months with monthly instalments of £217.

In December 2024, Mr H complained to EDL that it had provided the loan irresponsibly along with his other complaint points referenced above.

On 18 December 2024, EDL issued Mr H with a final response letter (“FRL”). Under cover of this FRL, EDL explained how it assessed Mr H’s affordability for the loan and to say that it hadn’t lent irresponsibly nor had it acted unfairly in relation to his other complaint points raised.

Unhappy with this FRL, Mr H brought his complaint to our service.

Our investigator didn’t uphold Mr H’s complaint.

Mr H didn’t agree so his case has been passed to me to make 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’m aware that I’ve summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I’ve focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there’s something I’ve not mentioned, it isn’t because I’ve ignored it. I haven’t. I’m satisfied I don’t need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

EDL will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Mr H's complaint. Having looked at everything I've decided to not uphold Mr H's complaint for broadly the same reasons as our investigator and I've explained why below.

EDL's decision to grant Mr H a £4,000 loan in June 2022

EDL was required to lend responsibly. It needed to conduct checks to make sure that the loan it offered to Mr H was affordable and sustainable. Such checks needed to be proportionate to things like the amount of credit offered to Mr H and how much he had to repay each month.

This means to reach my decision I need to consider if EDL carried out proportionate checks at the time of Mr H's application; if so, did it make a fair lending decision based on the results of its checks; and if not, what further and proportionate checks would most likely have shown.

Mr H was approved for a £4,000 loan with an APR of 66.2 %. The total cost of the loan was £7,816.

As part of Mr H's application, he declared he was employed and receiving an income of approximately £2,766 a month.

EDL says it conducted a credit check to determine whether to lend to Mr H and also took into consideration data from Mr H's bank statements for the previous two months before the application. EDL, from the credit checks it conducted and the information Mr H provided, assessed his living expenditure to be in the region of £1,258 a month, mortgage repayments to be £342 and other credit commitments of £360. EDL said that this gave Mr H a disposable income in the region of £589 a month which included the new EDL loan repayment.

EDL said there wasn't any adverse information on Mr H's credit file and a loan of £4,000 appeared affordable for him. On the other hand, Mr H told us that it wasn't affordable. Mr H has also shared some sensitive personal information with us for which I'm grateful.

I've carefully thought about what Mr H and EDL have said.

EDL didn't just simply accept what Mr H said. It carried out credit searches which showed that Mr H had no adverse information on his credit file that it could see. And I don't think that it was unreasonable to rely on Mr H's declarations, which suggested that the repayments were affordable given he was left with a disposable income of around £589 a month with which to afford any other unexpected payments. And this information was confirmed by using national statistical data and by EDL speaking to Mr H on the phone.

So, from what EDL told us and from the evidence I've seen, Mr H didn't have any recent adverse information such as defaulted accounts or county court judgements recorded against him at the time he applied for the loan (and which on the face of it suggests Mr H was reasonably managing the credit he had already been provided with).

I accept that Mr H has told us that his actual circumstances may not have been fully reflected either in the information he provided, or the information EDL obtained. But it's only fair and reasonable for me to uphold a complaint in circumstances where a lender did something wrong. Given the amount of the monthly repayments and the lack of other obvious indicators of an inability to make the monthly repayments for the loan in the information EDL did obtain, I don't think that reasonable and proportionate checks would have extended into requesting the information that would have shown Mr H's personal issues at the time.

So on balance, I don't think that EDL did anything wrong when deciding to lend to Mr H - it carried out proportionate checks (albeit I accept that Mr H doesn't agree that these went far enough) and reasonably relied on what it found out which suggested the repayments were affordable.

I'm sorry to hear Mr H's circumstances were more difficult than EDL was aware of, and that this loan contributed to further financial difficulties for him. I've considered whether there were any signs that Mr H would struggle to afford as well as sustain these loan repayments, but I can't fairly conclude that EDL received information about his finances suggesting this would be the case.

So overall I don't think that EDL treated Mr H unfairly or unreasonably when providing him with his loan. And I'm not upholding this aspect of Mr H's complaint. I appreciate this will be very disappointing for Mr H as I can see that he feels strongly about this matter. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

Did EDL encourage Mr H to borrow more than he asked for?

I've listened to the call between Mr H and an advisor from EDL on 14 June 2022, as part of his loan application, and having done so, I can't agree that Mr H was encouraged to borrow more than he asked for. The advisor advised Mr H what EDL would be willing to lend and the repayments required but ultimately it was his decision which amount to chose. The advisor also suggested he took more time to decide. So on balance, I don't think the advisor acted unfairly in discussing the potential loans with Mr H before he made the decision to borrow £4,000.

Did EDL call Mr H excessively when he went into arrears?

On 1 December 2022, a loan repayment to EDL failed and the direct debit returned the following day. Following this EDL attempted to contact Mr H by both phone and email to discuss the missed payment. As the attempted contacts were unsuccessful, EDL left several answerphone messages on Mr H's mobile phone.

On 19 December 2022, Mr H initially rang EDL and then sent it an email to explain he was receiving debt management advice and to request a 30 day hold on his account, which EDL agreed to. Mr H requested that his work contact number be removed from EDL's system, that future contact be by way of letter and he explained the impact the repetitive calls had on him. And from this date I haven't seen any evidence of any further phone calls made from EDL to Mr H.

On balance, I don't think EDL has done anything wrong in exhausting all communication methods for Mr H until he finally responded. EDL had a responsibility to contact Mr H when he went into arrears to discuss this with him.

Did EDL incorrectly label maintenance payments made by Mr H?

From the evidence I've seen, I can't say that EDL incorrectly labelled maintenance payments from Mr H. From the call notes EDL has provided I can see that on 15 June 2022, Mr H discussed payments going from his account. Our investigator said he felt this was a meaningful attempt by EDL to establish and understand any unaccounted third-party transfers and on balance I agree. I haven't seen any evidence that EDL tried to manipulate the income and expenditure for Mr H in anyway and I can see the child maintenance figure of £130, as provided by Mr H was taken into consideration.

Did EDL incorrectly assess Mr H's income?

Mr H said that EDL incorrectly took into account his monthly expenses when calculating the affordability of the loan. However, I haven't seen any evidence that EDL incorrectly assessed Mr H's income. EDS removed his partner's income from his application when it established they didn't live together. And EDL told us that it used the lowest value from three payslips provided by Mr H and also looked at his bank statements. So on balance, I think EDL assessed Mr H's income fairly.

Was EDL wrong to contact Mr H on his work number?

As I've highlighted above, from the evidence I've seen, EDL only rang Mr H's work number once and that was after numerous answerphone messages and emails from EDL went unanswered. And I don't think EDL were unreasonable in taking this stance. EDL had exhausted other communication methods and were attempting to contact Mr H to discuss his arrears, which it was required to do. And when Mr H didn't respond, EDL attempted to contact Mr H on his work phone number. And after Mr H sent EDL the email requesting that all future communication was to be by letter, I can't see any further evidence of calls to his work number.

Mr H told us that he only provided his work number as a means of job verification but I've not seen any evidence of that so I don't think EDL did anything wrong here.

Why did EDL say Mr H's application was made in branch when it was made online by him?

Mr H told us that EDL stated in an acknowledgement that he had applied for his loan in one of their branches, when in fact, he had never visited that branch and his complaint was made online. I can see from an acknowledgement letter EDL sent Mr H dated 9 December 2024, it did say his loan was applied for in a specific branch. However, like our investigator, I consider this just to be an administrative error and whilst I appreciate this may be frustrating for Mr H, I don't think it justifies me asking EDL to do anything else. I don't think the fact Mr H made his complaint online is in doubt here.

Did EDL act unfairly in any other way

I've also considered whether EDL acted unfairly or unreasonably in any other way, including whether the relationship between Mr H and EDL 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 EDL lent irresponsibly to Mr H 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.

Although I'm not upholding Mr H's complaint, I would like to remind EDL of its ongoing obligation to exercise forbearance and due consideration if Mr H has difficulty making his existing loan payments going forwards.

My final decision

My final decision is that I don't uphold this complaint against Everyday Lending Limited trading as Everyday Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 September 2025.

Paul Hamber
Ombudsman