

The complaint

Mr J complains Everyday Lending Limited trading as Everyday Loans (ELL) lent to him irresponsibly.

What happened

Mr J complains ELL lent to him irresponsibly when they approved the loan below. He explained that when he took out the loan he was in a coercive relationship and experienced financial abuse. And had ELL carried out sufficient checks, they ought to have identified this and seen the loan wasn't affordable.

Date	Capital	APR	Term	Monthly repayment	Total repayable
2 August 2022	£10,000	43.8%	60 months	£367.01	£22,020.60

ELL looked into Mr J's complaint and issued their final response. They explained their checks suggested the loan was affordable, so they didn't think they'd lent to Mr J unfairly. Their final response also acknowledged that Mr J hadn't been able to provide a police report regarding what he'd told them about his relationship with his ex-partner at the time of taking out the loan. Because of that, ELL said they had based the outcome of his complaint on the information that was available to them at the time of their lending decision.

Mr J remained unhappy and brought his complaint to our service. He maintained ELL didn't carry out sufficient checks before lending. Mr J also expressed he was unhappy that ELL had asked him for a police report, and that they didn't uphold his complaint after he explained why he couldn't share that with them.

Our Investigator considered everything provided by Mr J and ELL but didn't think his complaint should be upheld. She felt ELL's checks were sufficient and suggested the loan was affordable. Regarding ELL's handling of Mr J's complaint, she explained she didn't think it was unreasonable for them to have asked for supporting information so that they could understand what Mr J had shared with them regarding his personal circumstances.

Mr J disagreed with our Investigator, so his complaint was passed to me for a final 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.

Having considered everything, I'm not upholding Mr J's complaint. I'll explain my reasoning below.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. This is something ELL is familiar with, and I've used this approach to help me decide Mr J's complaint.

ELL needed to make sure they didn't lend irresponsibly. In practice, this means they needed to carry out reasonable and proportionate checks so they could understand whether Mr J could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an "affordability assessment" or "affordability check".

The checks needed to be borrower focused – meaning ELL had to consider if repaying the credit sustainably and within a reasonable period of time would cause difficulties or adverse consequences for Mr J. It wasn't enough for ELL to consider the likelihood of getting their funds back – they had to consider the impact of the repayments on Mr J.

Checks also needed to be proportionate to the specific circumstances of the lending. There isn't a specific list of what constitutes proportionate affordability checks – rather it will depend on several factors including, but not limited to, the particular circumstances of the consumer, and the amount/type/cost of credit they were seeking. And generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information they gather and what they do to verify it – in the early stages of a lending relationship. So, I've kept all this in mind when thinking about whether ELL did what they needed to before lending to Mr J.

Before agreeing to lend, ELL say they considered information gathered from credit referencing agencies (CRAs). They also verified Mr J's income and expenditure by reviewing two months' worth of bank statements and carrying out a detailed interview with him. They provided our service with evidence of those checks.

Having reviewed the information gathered during the application process, I've seen Mr J explained he was taking out the loan to consolidate a car finance agreement and a loan, pay for a holiday, and to replace some white goods. And when going through Mr J's income and expenditure, ELL's checks showed Mr J would be left with a disposable income of £397.64 (after making his ELL loan repayment). So, they considered the loan was affordable.

Mr J has argued that had ELL properly considered his statements, they would have seen all household bills and food shops were paid for from his account. So, they calculated his disposable income incorrectly when they based their figures on his ex-partner contributing to this. I've seen Mr J's statements do show the household bills and food shops were paid for from his account. However, during his interview with ELL, Mr J confirmed this is how bills were paid but also explained his ex-partner would transfer funds to his account for any extra bills or outgoings – and this was supported by his statements. So, I don't think ELL acted unreasonably in allowing their calculations to reflect the fact Mr J's ex-partner contributed to the household expenditure. And the application notes from the time, reflect this is something Mr J agreed with because he signed a document that confirmed the same.

During the interview with ELL, they discussed his discretionary spend and cash withdrawals which Mr J explained was due to his recent anniversary. They also spoke about recent returned direct debits. Mr J said this occurred due to the payment date, and he was in discussions to have them changed to help him better manage his outgoings. These explanations seemed plausible given what I've seen in the statements.

The information obtained from CRAs showed that overall Mr J was managing his finances well and that he wasn't over-indebted. There was a County Court Judgment being reported; however, this was from September 2016. Given this was issued six years prior to Mr J's loan application, I don't consider it would have been reasonable for ELL to conclude further borrowing was likely to cause him harm – or that further checks were warranted. In turn, I'm satisfied that ELL's affordability checks were reasonable and proportionate.

Looking at the information ELL had access to before they approved Mr J's loan, I don't think there was anything that would have reasonably indicated to them that the dynamics of Mr J

relationship were the reason he was taking out the loan. And this is something Mr J acknowledged and accepted following our Investigator's view. So, while I do agree his statements showed bills and food shops were being paid for from his account, they also showed instances of his ex-partner transferring funds into his account. And as mentioned above, Mr J gave a reasonable explanation for this when ELL were reviewing his statements and the discussing the same with him.

I appreciate that Mr J is now aware there was financial coercion in his previous relationship. But he himself has explained this isn't something he was aware of at the time he applied for the loan. But what we now know about the dynamics of that relationship weren't things ELL could reasonably have had knowledge of (to take into consideration) when making their lending decision. So, I don't think it would be fair for me to conclude they shouldn't have lent to him.

Mr J has also complained about the level of service he received when raising his complaint with ELL. He's unhappy they asked for a copy of the police report after he explained he had been in a coercive relationship at the time he applied for the loan. He's also unhappy they didn't uphold his complaint after he explained it wasn't something he could share with them due to ongoing investigations.

I would like to acknowledge the fact that it would have been very difficult for Mr J to share with ELL and our service, what he experienced in his previous relationship. So, I'd like to thank him for being so open with us.

It is understandable that Mr J would have found it distressing to be asked for a police report, and to subsequently find out his complaint wasn't upheld after giving a legitimate reason for being unable to provide that report. While I appreciate what Mr J has said about this, I've had to balance this with the fact that he had asked ELL to take his personal circumstances into consideration when investigating his complaint. Because of this, I don't think ELL acted unreasonably by asking Mr J for information that would help them better understand what he'd shared with them. I've noted what Mr J has said about ELL not suggesting alternative documents he could have provided, and given his interactions with our service, I consider he would have tried to provide something else if he knew that was an option. So, I can see why Mr J had some concerns about the way his complaint was investigated by ELL and why he may feel they haven't shown the level of consideration and empathy that we might expect. But even if he had provided alternative information before ELL issued their final response, I'm not persuaded that would have changed the outcome. That's because ELL considered the additional information Mr J provided us during our Investigations and it didn't change their position.

While I've taken on board Mr J's concerns, I'm not persuaded they change the overall outcome of his complaint. As mentioned above, the evidence I've seen suggests ELL's checks were sufficient, suggested the loan was affordable, and didn't give any indication about what was happening in Mr J's relationship at the time.

As part of our investigations, Mr J shared his bank statements with us. In those statements, I've only seen that £200 of the loan funds were transferred to his ex-partner. The rest went towards the holiday Mr J told ELL about and other transactions that I can't safely conclude he didn't have at least some use of. It's for this reason I don't think it would be fair or reasonable to ask ELL to refund his payments towards the loan and/or write off his outstanding balance.

My understanding is that Mr J sought the support of a debt management company, and a repayment plan was agreed. This is in line with what I'd expect if Mr J was struggling with his repayments. ELL has reiterated that Mr J can contact them if he's still experiencing

difficulties managing the loan, so I would encourage him to contact them about the support available if that's still the case.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think ELL lent irresponsibly to Mr J or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr J hoped for. But for the reasons above, I'm not asking ELL to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr J's complaint about Everyday Lending Limited trading as Everyday Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 9 October 2025.

Sarrah Turay
Ombudsman