

The complaint

Mr S is unhappy Chetwood Financial Limited trading as Live Lend ('Chetwood') provided him with two loans which were unaffordable. He's represented in his complaint but, for ease, I've written as if we've dealt with him directly throughout.

What happened

Chetwood provided Mr S with two loans:

- Loan one in October 2019 for £5,000. This was due to be repaid in 36 monthly instalments of around £168.
- Loan two in April 2022 for £6,500. This was due to be repaid in 50 monthly instalments of around £209.

Mr S made an irresponsible lending complaint in October 2024. He said Chetwood failed to conduct proportionate checks and, had they done so, they would have realised that the loans were unaffordable.

Chetwood didn't uphold Mr S' complaint, explaining that the information they obtained on both occasions suggested that these loans were affordable. So, Mr S brought his complaint to the Financial Ombudsman.

One of our investigators looked at Mr S' complaint and didn't find that Chetwood had lent irresponsibly or that the loans were unaffordable. Mr S disagreed with our investigator, maintaining that the loans were unaffordable and highlighting that his monthly debt repayment was higher than what Chetwood had estimated.

Because an agreement couldn't be reached, the complaint has been passed to me to decide.

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've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not intending to uphold Mr S' complaint. I know this is likely to come as a disappointment to Mr S, so I'll explain the reasons for my decision.

The rules and regulations in place at the time Chetwood provided Mr S with the loans required them to carry out a reasonable and proportionate assessment of whether he'd be able to repay them in a sustainable way. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower-focused'. This means Chetwood had to think about whether

repaying the credit would cause difficulties or adverse consequences for Mr S. In other words, it wasn't enough for Chetwood to consider the likelihood of them getting the funds back or whether Mr S' circumstances met their lending criteria – they had to consider if Mr S would be able to sustainably repay the lending being provided to him.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer and the amount, purpose, cost of credit they were seeking. I've kept all of this in mind when thinking about whether Chetwood did what was needed before lending to Mr S.

Did Chetwood carry out reasonable and proportionate checks?

Before approving the application for loan one, Chetwood:

- Asked Mr S what his income was and verified this using Current Account Turnover ('CATO') data as well as data from Credit Reference Agencies ('CRA').
- Asked Mr S for his expenditure
- Estimated Mr S' disposable income
- Checked his credit file

Chetwood carried out similar checks before approving the application for loan two however, they also used statistical data to estimate Mr S' living expenses.

I'm inclined to say these checks were reasonable and proportionate in the circumstances. The credit checks suggested Mr S was managing his credit commitments well. His overall debt was quite high however he wasn't using the full limits available to him which suggested he wasn't overly reliant on lending.

Did Chetwood make a fair decision to lend?

Just because I think the checks were proportionate based on Mr S' circumstances, it doesn't end there. I need to consider whether Chetwood made a fair decision to lend.

Loan one

Chetwood carried out a credit check which showed that Mr S had around £28,000 unsecured debt and no active mortgage. I noted one instance of Mr S going over the agreed limit on one of his credit card accounts in the last 12 months. Other than that, he appeared to be managing all his accounts well, with no missed payments, underpayments or arrears in the months leading up to the loan application. So, I'm satisfied that Chetwood would have concluded that Mr S wasn't struggling financially.

Chetwood verified Mr S' monthly income of around £3,500 via CATO and CRA data. In terms of expenditure, Mr S only declared £200 housing costs and Chetwood used the CRA monthly credit commitment of around £640. So, Mr S was left with a disposable income of around £2,660.

I believe Chetwood's calculated monthly disposable income to be on the high side as it doesn't account for the rest of Mr S' expenditure such as bills, transport, food, etc. However, Mr S declared he was living with his parents which would have meant the remainder of his expenditure was fairly low. I'm satisfied that he had enough disposable income to afford these costs as well as the new loan repayment of around £168. So, I'm satisfied Chetwood acted fairly in deciding the loan would likely be affordable for Mr S.

Loan two

On this occasion again, Chetwood carried out a credit check. This time they found Mr S had around £26,000 unsecured debt and no active mortgage. He still appeared to be managing these accounts well, with no missed payments, underpayments or arrears in the months leading up to the loan application.

Chetwood verified Mr S' monthly income of around £3,000 via CATO and CRA data. Mr S declared £1,000 in housing costs and £500 in living costs. Chetwood relied on a slightly higher average living costs figure of £533 and used CRA data to establish his monthly credit commitment of around £808. Finally, they added a buffer amount of £181.

Based on these figures, Mr S was left with a disposable income of around £478 before the new loan repayment, which supports that loan two was likely to be affordable. So, I'm satisfied Chetwood didn't act unfairly when they approved this loan.

I appreciate Mr S has provided us with different monthly debt commitment figures which he obtained from his credit file. However, I'm satisfied Chetwood's affordability assessment included a reasonable amount to cover payments to existing creditors given the information they obtained through the CRAs.

Overall and having carefully considered everything, I'm not persuaded Chetwood treated Mr S unfairly or unreasonably when agreeing to provide him with these loans.

Finally, I've also considered whether the relationship between Mr S and Chetwood 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 Chetwood lent irresponsibly to Mr S or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 January 2026.

Amelie Makris
Ombudsman