

The complaint

Miss M complains Lendable Ltd trading as Zable (Zable) provided her credit which was unaffordable.

What happened

In April 2023, Miss M took out a credit card with Zable. The card had an initial credit limit of £350. In August 2023, Zable increased Miss M's credit limit to £850, before increasing it a second time to £1,300 in February 2024.

In January 2025, Miss M complained to Zable that they'd failed to carry out the appropriate checks required prior to granting her a credit card and then subsequently increasing her credit limit. As a result of this, Miss M said she believes Zable lent to her irresponsibly.

In February 2025, Zable sent Miss M their final response, but they didn't uphold her complaint. In summary, Zable said they undertook numerous checks to ensure they lent responsibly and that the repayments were both affordable and sustainable for Miss M.

Miss M disagreed with Zable's response, so she referred her complaint to our service.

One of our Investigators looked into things and thought the checks Zable carried out prior to each lending decision were proportionate. And, because Zable's checks indicated Miss M had enough disposable income to afford the monthly repayments, he didn't think they'd done anything wrong by agreeing to lend to her.

Miss M disagreed with our Investigator saying while our he had said the lending looked affordable, her complaint also concerns the irresponsible nature regarding both Zable's initial decision to lend and their subsequent decisions to increase her credit limit.

Miss M said after obtaining the card, she exceeded her credit limit during two of the first three months, demonstrating it was irresponsible for Zable to then increase her limit. She went on to say prior to Zable increasing her credit limit for a second time, her utilisation of the card's limit had continued to be between 80% and 90%, demonstrating she was, and still is, trapped in a cycle of debt. Finally, Miss M said her use of the credit card to withdraw cash was another clear indicator she was in financial trouble.

Our Investigator looked at things again, but his opinion remained unchanged.

Our Investigator reassured Miss M he had considered if the lending decisions Zable took were responsible or not when reaching his opinion. He explained while he could see Miss M had exceeded her credit limit prior to Zable's first increase, he could also see the payments she was making to the card far exceeded the recommended amounts it was suggested she pay. He also said while he could see her utilisation was high, again the repayments she then went on to make didn't indicate any element of financial difficulties.

Regarding the cash withdrawals, our Investigator said alongside these, she appeared to be maintaining the card well but, in any case, during the three months prior to Zable increasing

her limit for a second time, the cash advances were minimal with Miss M only withdrawing £80 in one month and nothing across the other two.

Miss M remained unhappy saying her repayments were higher because she was borrowing additional money including withdrawing cash to help her pay back the card and to stay afloat. She remained of the opinion her exceeding her credit limit prior to Zable's first credit limit increase should have been a clear red flag for them not to have allowed her to borrow more.

Because no resolution could be reached, this case 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.

Having done so, although I appreciate it'll be a disappointment to Miss M, I'm not upholding her complaint and for much the same reasons as our Investigator. I'll explain why.

How we handle complaints about irresponsible and unaffordable lending is explained on our website. It's this approach I've used when deciding Miss M's complaint. Zable needed to ensure that they didn't lend irresponsibly, which in practice means they needed to carry out proportionate checks to be able to understand whether any lending was affordable for her before agreeing to provide the credit.

The rules that apply to credit agreements are set out in the FCA's consumer credit sourcebook (CONC). Section 5.2A of CONC is relevant here, as – among other things – it talks about the need for businesses like Zable to complete reasonable and proportionate creditworthiness assessments before agreeing to lend someone money.

I've considered these rules by asking the following questions:

- Did Zable complete reasonable and proportionate checks to satisfy themselves Miss M would be able to meet the repayments of the borrowing without experiencing significant adverse impact on her financial situation?
 - If they did, was their decision to lend to Miss M fair?
- Did Zable act unfairly or unreasonably in any other way?

For ease, I'll first address Miss M's initial credit card application before going on to address each increase to her credit limit.

Did Zable complete reasonable and proportionate affordability checks?

What's considered reasonable and proportionate in terms of the checks a business undertakes will vary depending on the details of the borrowing and the consumer's specific circumstances at the time.

Initial credit card application –

Here, Zable approved a credit card for Miss M with a limit of £350. This meant if she was to have utilised the full limit straightaway, she would have needed to have made monthly

repayments of around £30 to have paid back the borrowing within a reasonable period of time.

So, I think in the first instance Zable approved a credit limit for Miss M that was modest both in respect of the amount of credit and the monthly repayments I think they ought to have factored in, so my starting point is that I'd expect to see Zable to have gained an understanding of Miss M's financial situation, proportionate to the credit in question.

At the time of her application, Miss M declared her net monthly income as being £2,423, a figure which Zable were able to verify electronically via the credit reference agencies (CRAs).

Zable were able to see from the credit check they completed that Miss M held a number of existing credit accounts at the time of the application which included a loan, four credit cards and three budget or mail order accounts, in addition to bank accounts and a communications account. Zable could see all the accounts were being managed well, with there being no indication of Miss M having previously defaulted on credit.

Finally, Zable completed an affordability assessment using Miss M's commitments to existing credit from the credit check and the rent figure Miss M had declared. Deducting these amounts from Miss M's verified income, Zable calculated she had sufficient disposable income to afford the borrowing.

So, I think Zable established Miss M was likely to have a healthy disposable income each month based on the checks they completed. And when looking at the data the credit check returned, I've seen no reason I think ought to have prompted them to complete further checks. I wouldn't expect Zable to do more.

Overall, I think Zable completed reasonable and proportionate checks and from all the evidence and information they gathered, I'm satisfied what they saw allowed them to fairly assess if the initial agreement was affordable and sustainable for Miss M.

Credit limit increase to £800 in August 2023 –

Zable increased Miss M's credit limit to £800. This meant if she was to have utilised the full limit straightaway, her monthly repayments would needed to have increased to around £65 to have paid back the borrowing within a reasonable period of time.

So here, I think the credit limit Zable approved by this point remained fairly modest both in respect of the amount of credit and the monthly repayments I think they ought to have factored in, so as before, I'd expect to see Zable to have gained an understanding of Miss M's financial situation, proportionate to the credit in question.

At the time of Zable first increasing Miss M's credit limit, they verified her income by conducting a further automated check via the CRAs. The check told Zable Miss M earned a monthly income of around £2,344.

A credit check indicated Miss M hadn't missed payments of any of her external credit accounts and alongside looking at her management of the credit card since opening and after completing a further affordability check, Zable deemed her likely to have enough disposable income to afford the increased repayments.

Overall, I think Zable completed reasonable and proportionate checks and from all the evidence and information they gathered, I'm satisfied what they saw allowed them to fairly assess if the increase to £800 was affordable and sustainable for Miss M. I wouldn't expect

Zable to do more.

Credit limit increase to £1,300 in February 2024 –

Zable increased Miss M's credit limit to £1,300. This meant if she was to have utilised the new limit in full straightaway, her monthly repayments would needed to have increased to around £105 to have paid back the borrowing within a reasonable period of time.

Again, I think the credit limit Zable approved remained fairly modest, so as before, I'd expect to see Zable to have gained an understanding of Miss M's financial situation, proportionate to the credit in question.

At the time of Zable increasing Miss M's credit limit to £1,300, they verified her income via the same method as I've previously explained. Her income was confirmed as being around £2,335 net per month.

As before, Zable completed a credit check, through the results of which, they saw Miss M appeared to be continuing to manage her external credit well. As before, Zable looked at the results of the credit check alongside looking internally at her management of the credit card since opening, and after completing a further affordability check, they deemed her likely to have enough disposable income to afford the increased repayments.

Overall, I think Zable completed reasonable and proportionate checks and from all the evidence and information they gathered, I'm satisfied what they saw allowed them to fairly assess if the increase to £1,300 was affordable and sustainable for Miss M. I wouldn't expect Zable to do more here.

In summary, I think Zable completed reasonable and proportionate checks prior to their initial lending decision and prior to each of the credit limit increases and from all the evidence and information they gathered, I'm satisfied what they saw allowed them to fairly assess if each increase was affordable and sustainable for Miss M.

But my above conclusions don't automatically mean Zable went on to make fair lending decisions – it's these I'll go on to look at next.

Did Zable make fair lending decisions?

Initial credit card application –

Zable verified Miss M's declared net monthly income as being £2,423.

In addition, when calculating Miss M's affordability, Zable used a combination of her declared rental commitment and her actual existing credit commitments from the CRA check. After doing this, Zable found Miss M likely had enough monthly disposable income to afford the lending.

As I've explained, I think the maximum repayment towards the new credit card that I think Zable ought to have factored in, was £30 a month, so considering Miss M's verified income and the relatively low expenditure they'd obtained, I think even after allowing for Miss M's other essential spending, this was likely a figure well within the disposable income Zable had estimated her likely to have had.

Based on what I've seen, I'm satisfied their checks were reasonable and proportionate. I'm

also satisfied they made a fair lending decision based on the outcome of those checks so I'm not upholding this complaint about the initial account opening.

Credit limit increase to £800 in August 2023 –

Despite only having verified Miss M's income a few months prior, Zable verified it again and found the figure be around the same as before, so I think they'd reasonably have taken confidence from this that she was in receipt of a stable and consistent income.

In addition, when estimating Miss M's affordability, Zable took into account and decided her remaining disposable income was likely sufficient to make the required payments to the new limit affordable.

As I've explained, I think the maximum repayment towards the new credit limit that I think Zable ought to have factored in, was £65 a month, so as before, considering Miss M's verified income and the relatively low expenditure they'd obtained, I think even after allowing for her other essential spending, this was likely a figure well within the disposable income Zable had estimated her likely to have had.

I've also thought about if it was responsible to have increased Miss M's limit at this point – but I think it was. I'll explain why.

While I acknowledge Miss M had marginally exceeded her initial credit limit twice in the few months since she obtained the credit card, Miss M's repayments towards the lending far exceeded the recommended amounts due. On Miss M's June statement, her recommended repayment towards her debt was £17.50. She repaid a total of £362.46. Again, in the second month she exceeded her limit her recommended repayment towards her debt was again £17.50. She repaid £200.81 in total.

So having thought about it, I don't think the occasions where Miss M exceeded her limit ought to have been reason for Zable not to have increased her limit. The repayments she was making weren't in any way an indication she was in financial difficulties, rather that she was likely struggling with the low limit and adjusting to using the new card still.

In summary, I think based on what I've seen and having considered Miss M's management of the credit up to that point, I'm satisfied their checks were reasonable and proportionate. I'm also satisfied they made a fair lending decision based on the outcome of those checks so I'm not upholding this complaint about the credit limit increase to £800.

Credit limit increase to £1,300 in February 2024 –

Zable again verified Miss M's net monthly income and reviewed her credit report. As before, I don't think they saw anything to cause them concern and instead saw Miss M's income to have remained stable and her external credit continuing to be being managed well.

As I've explained, I think the maximum repayment towards the new credit limit that I think Zable ought to have factored in, was £105 a month, so as before, considering Miss M's verified income and the relatively low expenditure they'd obtained, I think even after allowing for her other essential spending, this was likely a figure well within the disposable income Zable had estimated her likely to have had.

I've again thought about if it was responsible to have increased Miss M's limit at this point – but as before, I think it was. I'll explain why.

Since the last increase Zable applied to Miss M's credit limit, the recommended repayments

suggested she make back across the six-month period totalled £240. Miss M paid back in total £1,676.35 towards her borrowing over that same period.

While I acknowledge Miss M says she was borrowing from elsewhere, essentially recycling debt, I've seen nothing to suggest Zable ought to have been aware of that. Ultimately, by her paying back even the recommended amounts as opposed to the minimum amounts required each month, would have been a sign she appeared to be managing the card well. As I've said, Miss M paid back much more some months.

I've also thought about the cash withdrawals Miss M made. While I agree, with it being an expensive way to obtain cash, seeing a lot of these wouldn't generally be a good sign. But ultimately it is a feature available on the card, and I think importantly here, there were no cash withdrawals made throughout the three months directly prior to the increase. I understand our Investigator said Miss M withdrew £80 during the month before, but having looked at this, this withdrawal was made after Zable's decision to increase her limit was made. So, I don't think the previous withdrawals Miss M made were reason alone for Zable not to have increased her limit when they did.

So, based on the evidence provided, I'm satisfied Zable's checks were reasonable and proportionate in relation to all their lending decisions. I'm also satisfied they made fair lending decisions based on the outcome of those checks for the initial account opening and for each of the two credit limit increases that followed.

I don't think Zable's lending decisions were unaffordable based on what they found from those checks, nor do I think their decisions were irresponsible, so I'm not upholding this complaint.

Did Zable act unfairly or unreasonably in some other way?

From what I've seen, overall, Miss M was managing her account up to the point she raised her complaint. Zable say she's maintained her account well, making at least the minimum repayment required each month.

In their final response letter, Zable asked Miss M to get in touch with them if she was struggling financially with making her repayments going forward. They also provided Miss M links to external support should she require it. Should Miss M let Zable know she is in financial difficulties going forward, I'd remind them to act responsibly and to treat her positively and sympathetically going forward.

I've also considered whether Zable acted unfairly or unreasonably in some other way given what Miss M's complained about, including whether it's relationship with her might have been unfair under s.140A Consumer Credit Act 1974.

However, for the same reasons I've set out above, I've not seen anything that makes me think this was likely to have been the case. here

My final decision

For the reasons I've explained above, my decision is that I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 28 October 2025.

Sean Pyke-Milne
Ombudsman