

Complaint

Ms C has complained about a loan Lendable Ltd (“Lendable”) provided to her. She says that Lendable provided her with an unaffordable loan at a time when she was already financially stretched and couldn’t afford this loan.

Background

Lendable provided Ms C with a loan for £5,000.00 in March 2023.

The loan had an APR of 28.83% and a 36-month term. This meant that the total amount to be repaid of £6,840.40, which included interest, fees and other charges of £1,840.40, was due to be repaid in 47 instalments of £189.83 followed by a final payment of £196.35.

One of our investigators reviewed what Ms C and Lendable had told us. And she thought that Lendable hadn’t acted unfairly when providing Ms C with her loan. So she didn’t uphold Ms C’s complaint.

Ms C disagreed and asked for an ombudsman to look at her complaint.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Ms C’s complaint.

Having carefully considered everything, I’ve decided not to uphold Ms C’s complaint. I’ll explain why in a little more detail.

Lendable needed to make sure it didn’t lend irresponsibly. In practice, what this means is Lendable needed to carry out proportionate checks to be able to understand whether Ms C could afford to repay before providing this loan.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Lendable says it agreed to Ms C’s application after she provided details of her monthly income and expenditure. It says it cross-checked this against information it obtained on the

amount of funds Ms C received into her bank account each month and a credit search which it carried out.

In its view, the information it gathered about Ms C's income and expenditure showed that Ms C would be able to make the repayments she was committing to. Lendable says, in these circumstances it was reasonable to lend.

On the other hand, Ms C has said the loan was unaffordable because of her credit history and the amount of loans she already had. So she shouldn't have been lent to.

I've carefully thought about what Ms C and Lendable have said.

The first thing for me to say is that this was Ms C's first loan with Lendable. The information provided does suggest Ms C was asked to provide details of her income and expenditure and Lendable didn't just rely on what it was told. It cross-checked Ms C's declaration of income against information that it obtained from credit reference agencies and this suggested that it could be confident that Ms C broadly received what she said she did each month.

Furthermore, while I accept that Ms C might not agree with this, I don't think that the amount of Ms C's existing credit was excessive. This is especially as the information from the time shows that Ms C's selected loan purpose was consolidation of her existing debts. Furthermore, as there wasn't anything in the credit checks to indicate that Ms C had any recent significant adverse information – such as defaults or county court judgments (“CCJ”) – recorded against her.

I don't know whether Ms C did go on to consolidate some of her other debts with the proceeds of this loan. In any event, Lendable won't have known whether Ms C would actually pay off any existing balances – all it could do was take reasonable steps and rely on assurances from Ms C that this would be done. And I'm satisfied that the proceeds of this loan could and should have been used to clear a proportion of the existing debt that Ms C had and which she is now arguing meant that she shouldn't have been provided with this loan.

There is an argument to say that bearing in mind the amount of the monthly payment, at the absolute most, Lendable ought to have found out more about Ms C's actual regular living expenses, rather than relying on statistical data. However, the information Ms C has provided doesn't show me that her actual monthly living expenses were significantly higher than any estimates that Lendable relied on.

In these circumstances, I don't think that Lendable finding out more about Ms C's regular living expenses would, in any event, have resulted in it determining that Ms C would be unable to make the monthly repayment on this loan.

As this is the case, while I sympathise with Ms C's situation and I'm sorry to hear that she's found making her repayments difficult, I don't think that Lendable did anything wrong when providing this loan to her. It is arguable that it carried out proportionate checks and reasonably relied on what it found out which suggested the repayments were affordable.

But even if Lendable had asked Ms C for more information about her regular living costs and contractually committed expenditure here this wouldn't have made a difference to its decision to lend. In my view, this would have simply reinforced the notion that if Ms C did go on to repay some of her existing debts with the proceeds from this loan in the way that she said she would, she could end up in a better financial position.

In reaching my conclusions, I've also considered whether the lending relationship between Lendable and Ms C might have been unfair to Ms C under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Lendable irresponsibly lent to Ms C or otherwise treated her unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here. So I'm not upholding this complaint.

As this is the case, I'm not upholding Ms C's complaint. I appreciate this will be very disappointing for Ms C. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

My final decision is that I'm not upholding Ms C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 15 December 2025.

Jeshen Narayanan
Ombudsman