

The complaint

Miss B complains that Lendable Ltd trading as Zable (Lendable) irresponsibly gave her a credit card account that she couldn't afford.

What happened

Around June 2024 Miss B applied for a revolving credit facility (credit card) with Lendable. Her application was successful, Lendable issued Miss B a credit card with a credit limit of £200. The credit limit was never increased. Miss B said had Lendable checked properly they would have seen she was financially vulnerable. She said she struggled with her mental wellbeing. And had been subject to a Debt Relief Order (DRO). She complained to Lendable.

Lendable said Miss B's credit history was in line with someone looking to rebuild their credit history. They said they'd reviewed Miss B's financial situation, cross checking her declared income and outgoings with a credit reference agency (CRA). And based on these checks the lending was affordable as Miss B should have had sufficient disposable income to sustain the repayments.

Miss B wasn't happy with Lendable's response and referred her complaint to us.

Our investigator found Lendable's checks to be reasonable and proportionate for the lending they provided. And that they'd made a fair lending decision.

Miss B didn't agree she said Lendable had failed to identify her financial vulnerability. She asked for an ombudsman 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 appreciate Miss B's openness about the mental health struggles she's facing. And I understand my decision will disappoint her. But for me to say Lendable must do something different I must first be satisfied that they've done something wrong. I can't see that they have here which is why I won't be asking them to do anything else. I'll explain why.

We've set out our general approach to complaints about unaffordable/irresponsible lending - including the key rules, guidance and good industry practice - on our website. And I've referred to this when deciding Miss B's complaint.

I've considered the relevant rules and guidance on responsible lending set by the regulator, laid out in the consumer credit handbook (CONC). In summary, these say that before Lendable offered the revolving credit facility they needed to complete reasonable and proportionate checks to be satisfied Miss B would be able to repay the debt in a sustainable way.

Lendable is free to decide how to set their lending criteria, and their business model caters

for consumers who've previously struggled financially. But they should complete proportionate checks to ensure borrowing is sustainable. There's no set list for what reasonable and proportionate checks are. In deciding what was proportionate Lendable needed to consider things such as (but not limited to): the amount of credit, the size of any regular payments (taking into consideration the rules and guidance in CONC relating to assumptions concerning revolving credit), the cost of credit and the consumer's circumstances.

What's important to note is that Miss B was provided with a revolving credit facility rather than a loan. This means there isn't a set amount to be repaid each week/month, rather the repayment is based on the monthly transactions and any outstanding balance. Lendable was approving a relatively low credit limit of £200. While there isn't a set amount that needed to be repaid each month CONC requires a firm to assume when carrying out their assessment that the entire credit limit is drawn down at the earliest opportunity and repaid in equal instalments over a reasonable period. So, I think Lendable could have reasonably assumed Miss B would need to be able to repay around £10 each month to settle any balance within a reasonable period.

CONC says a lender needs to take reasonable steps to estimate a consumer's income and non-discretionary spending. And that a lender generally shouldn't solely rely on a consumer's declared income but check this with an independent source such as a CRA or third party. It also allows for the use of statistical data in determining any non-discretionary spending. Lendable said they used Miss B's application and CRA data. I've considered the checks they did and what these showed.

From Miss B's application Lendable took that she was in full time employment with a monthly income of £817.58, which they verified using an industry-standard income verification tool. And she paid £50 a month for rent. From reviewing Miss B's credit file they found she was managing her active accounts well, this included one utility account, one mail order account and three current accounts. But there were registered defaults also showing on her credit file.

It may help to explain here that, while information like a default on someone's credit file may often mean they're not granted further credit – it doesn't automatically mean that a lender won't offer borrowing. Here, Lendable considered the information that Miss B had on her credit file, deciding that for the relatively low amount being borrowed and the defaults considered to be historic, Miss B would be accepted under their lending criteria which in the circumstances, I think was reasonable.

Lendable said as well as verifying Miss B's income, their affordability assessment showed after sustaining her non-discretionary spending she'd sufficient disposable income to sustain her repayments for the new credit card. They said Miss B would be spending around 21.87% of her income meeting her debts and rent payments meaning she'd 78.13% remaining before factoring in the new lending and for living and other non-discretionary expenses. This would equate to a disposable income of around £638.

I've looked at the credit file Lendable obtained. And this shows Miss B had a utility account and one mail order account with a credit limit of £2,000 of which her balance at the time of the lending was around £1,049. So, the figures used by Lendable in their assessment seem reasonable. And should have left Miss B sufficient after factoring in the new lending and her day-to-day living costs.

I'm satisfied the checks Lendable did were reasonable and proportionate for the type and amount of credit they were providing. And I don't think that there was anything immediately obvious in the information that Lendable had, including Miss B's declared income and

existing credit, which meant they shouldn't rely on it. So, I don't think Lendable needed to ask Miss B to provide further evidence in support of her income and expenditure such as bank statements, before providing her with a credit limit in this instance. And based on these checks I think Lendable's lending decision was fair as Miss B should have had sufficient disposable income to sustain her monthly repayments of around £10 a month.

Miss B has shown us that she entered a Debt Relief Order (DRO) in June 2021, and that this should have been considered. A DRO usually lasts for 12 months after which any remaining debt is usually written off. As Miss B's application for her credit card was made in June 2024 as outlined above her DRO would be considered historic. And Lendable look to provide credit for consumer's who've previously struggled financially.

Miss B says she'd limited mental capacity when she applied and has sent us details of her medication. And a Debt and Mental Health Evidence Form (DMHEF) that she obtained in July 2025. But unless Miss B informed Lendable about her mental incapacity or there were any indications of a mental capacity limitation that Lendable ought to have picked up on when she applied for the credit card then I can't fairly expect them to have known of this. And there's no evidence that Lendable was informed or that there were any indications of mental incapacity at the time Miss B's credit facility was agreed.

Financial businesses are required to follow the rules of the regulator, the relevant rules and regulations as previously mentioned are contained in CONC.

CONC 7.2.2 says that customers with mental health difficulties or mental capacity limitations may fall in the category of particularly vulnerable customers. CONC 7.2.3 says that in developing procedures and policies for dealing with customers who may not have the mental capacity to make financial decisions, firms may wish to have regard to the principles outlined in the Money Advice Liaison Group (MALG) "Good Practice Awareness Guidelines for Consumers with Mental Health Problems and Debt".

The DMHEF confirms Miss B suffers from Attention Deficit Hyperactivity Disorder, Post Traumatic Stress Disorder, depression and bulimia. It says Miss B would struggle to budget, keep track of her bills and avoid communication. But it does not give any additional details to suggest her mental health issues are such that her debt ought to be waived. And steps can and should be taken to support consumers who struggle in this way. Lendable has shown Miss B had maintained her account - meeting at least the minimum repayment each month. And that in December 2024 they agreed a payment plan with her.

While I'm not upholding this complaint. I would expect Lendable to continue to treat Miss B with forbearance and consideration in keeping with CONC. And also, to be mindful of the MALG guidance when they communicate with her. I would also expect Lendable to take account of any further information that Miss B may give them about her ability to repay the debt.

I've also considered whether Lendable acted unfairly or unreasonably in some other way given what Miss B has complained about, including whether their relationship with her might have been viewed as unfair by a court under Section 140A Consumer Credit Act 1974. But, for the reasons I've already given, I don't think Lendable lent irresponsibly to Miss B or otherwise treated her 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.

While I haven't upheld Miss B's complaint, I hope that she is able to take some reassurance that her complaint points have been listened to.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 25 November 2025.

Anne Scarr
Ombudsman