

## **The complaint**

Mr W complains that Lendable Ltd provided him with a personal loan that he couldn't reasonably afford to repay.

## **What happened**

In August 2020, Mr W successfully applied to Lendable for a £6,500 personal loan which was to be used for debt consolidation. Mr W was contractually required to repay the loan over 42 months with monthly payments of £286.09.

Mr W later complained to Lendable because he felt that he hadn't been able to afford the loan that they'd provided to him, and that this should have been apparent to Lendable at that time, had they undertaken checks into his financial position before approving the loan.

Lendable responded to Mr W and confirmed that they had undertaken checks before providing the loan to him and that there had been nothing resultant from those checks that had given them causes to suspect that Mr W might not be able to meet his contractual payment obligations. Mr W wasn't satisfied with Lendable's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Lendable had acted unfairly by approving Mr W's loan application. Mr W didn't agree, and so the matter was escalated to an ombudsman 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.

When Mr W applied to Lendable, he declared that he was in full time employment with a net monthly income of £2,060 and that the loan would be used for debt consolidation. Lendable were able to verify Mr W's income via the credit reference agencies, meaning that they were confident that Mr W's monthly income was as he had stated.

As part of their creditworthiness assessment, Lendable reviewed Mr W's credit file. This showed that Mr W had five active credit cards and another personal loan, none of which were or had recently been in arrears, as well as one mail order account and a hire purchase agreement. The mail order account had fallen into arrears within the last twelve month, but Mr W had cleared the arrears, and the account had been in good order for nine months.

Additionally, Mr W's credit file didn't show any defaulted accounts of county court judgements within the past three years.

While Mr W's amount of existing credit accounts was relatively high, it must be remembered that Mr W had told Lendable that he wanted to use the loan proceeds for debt consolidation. Because of this, I feel that it was reasonable for Lendable to expect the number of credit accounts to reduce after they provided the loan to Mr W – because Mr W would use the loan

proceedings to repay those accounts, consolidating his debt into one payment, the Lendable loan payment.

Furthermore, loan consolidation generally results in the borrower paying less per month towards debt repayment than they were paying previously – although ultimately, that would have been a matter for Mr W to have calculated and not something Lendable would have been expected to confirm. As such, while I note that Mr W has explained to this service that he already had significant credit commitments before he took the Lendable loan, I'm satisfied that it was reasonable for Lendable to consider his application on the basis that Mr W would use the loan proceeds to reduce those existing credit commitments, because Mr W had stated in his application to Lendable that he would do so.

When a consumer applies for a personal loan, credit providers are expected to undertake reasonable and proportionate checks to satisfy themselves that the applicant will most likely be able to meet the contractual payment requirements of the loan they're applying for.

In this instance, in consideration of the above, I feel that Lendable did conduct reasonable and appropriate checks, and I also feel that it was reasonable for Lendable to feel that Mr W would most likely be able to meet his contractual repayment obligations.

I take this position because when Mr W applied to Lendable, he was employed with a reasonable net income. Furthermore, while Mr W had several existing credit commitments, he was meeting those commitments without any notable recent issues, as per his credit file. And given that the loan was intended to be used by Mr W for debt consolidation, I feel that it's reasonable for Lendable to have concluded that Mr W's financial position would improve if they approved the loan, so that Mr W could consolidate his debts as he'd stated he would.

All of which means that I won't be upholding this complaint or instructing Lendable to take any further or alternative action here, because I don't feel that Lendable have acted unfairly as Mr W contends.

I also note that after taking the loan, Mr W repaid the loan without apparent issue, making occasional overpayments and clearing the loan early with a lump sum payment. I've also reviewed the bank statements that Mr W provided to this service for the three months leading up to the loan application, and haven't seen anything that makes me reconsider my position as I've explained it above – although to be clear, I wouldn't have expected Lendable to have reviewed Mr W's bank statement when approving the loan because I'm satisfied that the checks they did undertake were reasonable and proportionate in this instance.

Finally, I note that Mr W is unhappy with how Lendable handled his complaint into this matter, including regarding a good will payment Lendable offered to Mr W because of how they had handled his complaint. However, this service can only consider points of complaint about regulated financial matters, and how a business handles a complaint is not a regulated financial matter, even when the subject of that complaint is itself a regulated financial matter. In short, this service can't consider a point of complaint about how a business has handled a complaint, which means that I'm unable to comment on this aspect of Mr W's dissatisfaction.

I realise this likely won't be the outcome Mr W was wanting here, but I hope that he'll understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or

reject my decision before 15 October 2025.

Paul Cooper  
**Ombudsman**