

The complaint

Mr A complains Lendable Ltd trading as Zable (Zable) failed to carry out thorough enough financial checks before it approved a credit card account for him.

What happened

Mr A says Zable approved a credit card account for him in May 2024 with a credit limit of £350 at a time when he was already over indebted. Mr A says if Zable had conducted more thorough financial checks rather than relying on headline information, it would have seen the credit card was unaffordable. Mr A says he is now in financial difficulties and wants Zable to refund all interest and charges on the credit card account and remove any adverse data relating to this account from his credit file.

Zable says before it approved the credit card account, it carried out a comprehensive financial assessment using information declared in Mr A's credit application along with data provided by credit reference agencies (CRA's). Zable says this data was used to verify Mr A's declared income of around £4,600 per month and based on this it determined the credit card account was affordable.

Zable says the credit check revealed, apart from two historic defaulted credit cards, the majority of Mr A's external borrowing was well maintained and his risk profile met its criteria for this level of borrowing. Zable says Mr A's financial issues occurred in September 2024 following a change of jobs, which it wouldn't have been able to have foreseen.

Mr A wasn't happy with Zable's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator pointed out there are no set list of checks lenders like Zable have to carry out before approving credit facilities, but these should be borrower focused.

The investigator felt Zable collected a reasonable amount of information before it approved the credit card facility and it verified Mr A's income using an income verification tool. The investigator pointed out while there were some historic defaults, it did not mean the lending was unreasonable and all existing finance agreements were in good standing. The investigator says Zable had evidenced Mr A had a substantial amount of net disposable income to meet the modest limit it approved and Zopa's decision to lend was fair at the time.

Mr A didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I was sorry to learn Mr A was facing financial difficulties and this has affected his mental wellbeing and that must be a source of worry for him. When looking at this complaint I will consider if Zable carried out reasonable and proportionate checks before it approved the credit card account for Mr A in May 2024.

Mr A's complaint centres around his view that Zable should have carried out more thorough financial checks before it approved the credit card account for him and if it had it would have seen he had already taken on more debt than he could afford.

While I understand the points Mr A makes here, I'm not fully persuaded by his argument and I will go on to explain why.

As the investigator has pointed out there are no set list of checks lenders like Zable must carry out before approving credit facilities, but these should be borrower focused taking into account the amount, type, term and cost of any borrowing. I should say here it's not for me to tell Zable what those checks must consist of, or from what sources those checks should come from.

What I would say is that given the modest level of credit approved by Zable here, it's fair to say I wouldn't expect it to carry out the same level of intensive due diligence one might expect to see for say a larger committed long term loan.

That said from the information I have seen, Zable relied upon information declared by Mr A in his credit application alongside data obtained via CRA's. Mr A had declared a monthly income of around £4,600 and using external industry standard verification methods this was confirmed by Zable. I can also see that as part of Zable's affordability modelling it referred to the CRA's credit file information and while that showed some historic defaults, Mr A's current financial commitments were well run. So I'm satisfied that wouldn't be a reason for Zable not to approve the modest level of credit it did here.

Its affordability modelling also showed Mr A had a strong level of net disposable income to meet what was after all a fairly modest commitment each month here. From what I can see Mr A's financial problems began some months after the credit card facility was approved and while it's unclear why that was, it would be unfair of me to suggest Zable could have foreseen that, based on the information it had at that time. So on balance I'm satisfied Zable carried out reasonable and proportionate financial checks, before it approved the credit card account and its decision to lend was fair.

I've also considered whether Zable acted unfairly or unreasonably in some other way given what Mr A has complained about, including whether its relationship with him might have been unfair under s.140A Consumer Credit Act 1974. However, for the same reasons I have set out above, I've not seen anything that makes me think this was likely to have been the case.

While Mr A will be disappointed with my decision, I won't be asking anymore of Zable.

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 A to accept or reject my decision before 27 October 2025.

Barry White

Ombudsman