

The complaint

Mr M complains that Lendable Ltd trading as Zable irresponsibly lent to him.

What happened

Mr M was approved for a Zable credit card in March 2024, with a credit limit of £800. Mr M says that he was made bankrupt in 2019, and that this credit card was irresponsibly lent to him. Mr M made a complaint to Zable who did not uphold his complaint. Zable said when he applied for the account his bankruptcy had concluded several years earlier, and he passed all the insolvency checks and creditworthiness checks. Mr M brought his complaint to our service.

Our investigator did not uphold Mr M's complaint. She said Zable's checks were proportionate, and they made a fair lending decision. Mr M asked for an ombudsman to review his complaint. He made a number of points. In summary, he said that his vulnerable financial history at the time should have prompted additional verification, such as requesting his bank statements, which would have shown his repayment capacity. He said open banking was available, but Zable did not use this.

Mr M said that when he applied for the credit card he already had maxed out credit cards and a loan, and their underwriting team should have realised this and requested bank statements from him. He has said that since his account had been opened, Zable had charged him high interest, and they defaulted his account.

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.

Firstly, I'm aware that I've only summarised Mr M's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Mr M has mentioned about what happened when the account was opened, regarding high interest being charged and his account defaulting. Zable have forwarded our service the credit agreement which set out the interest Mr M agreed to pay, so I can't say that Zable have acted unfairly by charging him what he agreed to, but if Mr M has any separate concerns about the interest charged or the default, he will need to contact Zable in the first instance so they can provide a response to his separate complaint points. In this decision, I'll be focusing solely on whether Zable made a fair initial lending decision.

I've considered what Mr M has said about open banking being available to Zable, but they did not use this. I'd like to explain to Mr M that it is not within this service's remit to tell a business to use open banking for lending checks, as this would be a commercial decision for Zable to make. It would be the role of the regulator – the Financial Conduct Authority, who

have the power to instruct Zable to make changes to their policies and procedures if necessary.

Before agreeing to approve the credit available to Mr M, Zable needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Zable have done and whether I'm persuaded these checks were proportionate.

Zable said they looked at information provided by Credit Reference Agencies (CRA's) and information that Mr M had provided before approving his application. The information shows that Mr M had declared a net monthly income of £1,801. But Zable completed further checks by using a CRA, who verified Mr M's income to be £1,739, so they used the lower figure.

The CRA that Zable used showed that Mr M had not defaulted on credit agreements in the past 12 months, but he had defaulted on accounts in the past. 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 – they don't automatically mean that a lender won't offer borrowing. So I've looked at what other checks Zable completed, to see if they made a fair lending decision here.

The CRA did not report that any of Mr M's active accounts were in arrears at the time of the checks. Zable were aware of Mr M's active accounts including his personal loan, and how much he was repaying each month, and his credit cards (albeit he wasn't showing as being very close to his credit limits).

Zable completed a limited affordability assessment using Mr M's monthly housing expenditure he declared, and they deducted this from the net monthly income, and they also deducted Mr M's monthly credit commitments. The affordability assessment showed that Mr M would have over half of his net income available to pay for his living expenses and the new Zable repayments.

There is no requirement for Zable to request evidence such as bank statements for each lending decision they make, as this wouldn't be proportionate. The credit limit was £800 which would have been less than 4% of his declared net monthly income if this was multiplied by 12 to get a net annual income. So based on their being no recent adverse information on Mr M's credit file, Zable being aware of how much he was spending on his credit commitments each month, and the affordability assessment they completed, I'm not persuaded that it would have been proportionate for Zable to complete further checks.

So I'm persuaded that Zable's checks were proportionate here, and they made a fair lending decision to approve the account with a £800 credit limit.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress Zable has carried out results in fair compensation for Mr M in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

I do not uphold this complaint.

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

reject my decision before 1 January 2026.

Gregory Sloanes
Ombudsman