

The complaint

Mr M complains that Chetwood Financial Limited trading as LiveLend was irresponsible in its lending to him. He wants all interest and charges on his loan refunded along with statutory interest and any adverse information removed from his credit file.

Mr M is represented by a third party but for ease of reference I have referred to Mr M throughout this decision.

What happened

Mr M was provided with a £2,000 loan by LiveLend in November 2020. The loan term was 24 months and Mr M was required to make monthly repayments of around £106.

Mr M said that adequate checks weren't undertaken before the loan was provided to ensure that he would be able to make the repayments without issue. He said he had other debts at the time.

LiveLend said that before lending it carried out checks to confirm Mr M's application data and that a full credit check and an affordability assessment were undertaken. It said that based on its checks the loan was affordable for Mr M.

Mr M referred his complaint to this service.

Our investigator noted the information in Mr M's credit file showed signs of possible financial difficulty and thought that further checks should have been carried out to ensure the loan would be sustainably affordable for Mr M. She thought that details should have been gathered about Mr M's expenditure and while she didn't think that LiveLend was required to request copies of Mr M's bank statements she used this information to understand what would likely have been identified through further checks.

Based on a review of Mr M's statements our investigator found that further questions would have likely shown the loan to be affordable for him. She noted that Mr M's statements showed he was gambling but as she didn't think that LiveLend was required to request these she didn't find it should have been reasonably aware of this.

Mr M didn't accept our investigator's view. He said that it had been accepted that proportionate checks didn't take place and that in these situations a review of bank statements was undertaken. He said his statements showed his gambling and this needed to be considered.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue a 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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Before the loan was provided, LiveLend gathered information about Mr M's employment, income, residential status and housing costs. A credit check was also carried out. Mr M declared that he was employed with a monthly income of £3,837 and was a homeowner with housing costs of £600. Mr M didn't provide an amount for his living costs, and his credit file data was used to establish his repayments for existing credit commitments.

Given the size of the loan and repayments compared to Mr M's income, I think these initial checks were reasonable. However, the credit results showed that Mr M had been over his limit and missed payments on his credit cards in the previous 12 months. Mr M's accounts had been brought up to date and he had no missed payments recorded in the previous five months and so I do not think the adverse information was such that it meant further credit shouldn't have been provided. However, given there were signs that Mr M might be experiencing issues, I think it would have been reasonable to have asked further questions to understand his actual expenses to ensure the lending would be affordable for him.

Mr M has provided copies of his bank statements for the months leading up to the loan application. In this case, I do not think that LiveLend was required to request these, but instead it could have gathered information about Mr M's expenses in another way, such as asking him about these. However, I have used the information in the statements to understand what further questions would likely have identified.

Mr M's statements showed he received a regular income and while this varied, the average was £3,959 in the three months leading up to the loan application. This is in line with the amount of £3,837 that was included in Mr M's application. I think it reasonable that LiveLend relied on the information received through the credit checks for Mr M's payments for his existing credit commitments and these were around £627. Mr M's expenses including his payments for housing, insurances, communications contracts, other bills and living expenses were around £2,070. Deducting his existing credit commitments and the LiveLend repayments and his living costs would still leave Mr M with around £1,000 for any additional costs. Therefore, I do not find that further questions would have shown the loan to be unaffordable.

I can see from Mr M's statements that he was gambling. But as has been explained, I do not think given the size of the loan compared to Mr M's income and based on the other information available, that LiveLend was required to request copies of Mr M's bank statements. I find it could have gathered the other information through other routes. Therefore, I do not think that LiveLend should have been reasonably aware of Mr M's gambling at the time the loan was given.

Taking everything into account, I do not find that further checks would have raised concerns about the affordability of the loan for Mr M and I do not think the information in his credit file was such that further credit shouldn't have been given. Therefore, I do not find I can uphold this complaint.

I've also considered whether LiveLend acted unfairly or unreasonably in some other way given what Mr M has complained about, including whether its relationship with him might

have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think LiveLend lent irresponsibly to Mr M or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

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 M to accept or reject my decision before 16 October 2025.

Jane Archer
Ombudsman