

The complaint

Miss F complains that Lendable Ltd was irresponsible in its lending to her. She wants the interest on the loan refunded.

What happened

Miss F was provided with a £3,000 loan by Lendable in July 2019. The loan term was 48 months, and Miss F was required to make 47 monthly repayments of £88.50 followed by a final instalment of £91.49.

Miss F said that she had a part time job at the time and was struggling financially. She said she had to take out further loans to pay her existing debts and that this loan put her in deeper financial hardship.

Lendable issued a final response to Miss F in October 2024. It explained that initial checks were undertaken by the third-party platform that Miss F applied through and it then carried out full checks in accordance with its loan approval process. It said that it gathered information from open banking data and Miss F's credit file and Miss F met its lending criteria. Given this it didn't uphold Miss F's complaint.

Miss F referred her complaint to this service.

Our investigator initially upheld this complaint but after receipt of further information his conclusion changed, and the complaint wasn't upheld.

Our investigator noted the checks that Lendable had undertaken but as there was no evidence of an expenditure assessment, he didn't find he could say whether proportionate checks took place. Therefore, he considered the information contained in Miss F's bank statements for the months leading up to the loan application (alongside the other information submitted). Based on this, he found the loan appeared affordable and so he didn't uphold this complaint.

Miss F didn't accept our investigator's view. She gave further details of her income and outgoings and said that her council tax payments hadn't been included in the assessment. She explained that she already had other debts at the time of her application and that making her repayments for these and this loan didn't leave her with enough to cover her general living costs. She said that her bank statements didn't show all of her costs as she used her credit card to pay for food and other essentials. Miss F explained that she needed to take out another loan a couple of months after this one to meet her essential costs.

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.

Miss F was provided with a £3,000 loan which required monthly repayments of £88.50. Before the loan was issued, Lendable gathered information about Miss F's employment, income and residential status. Miss F said she was employed full time with a monthly income of £966 and was renting. Miss F didn't give a figure for her rent. The loan was said to be for home improvements. A credit check was undertaken which showed Miss F had eight active accounts and these were being managed well. Lendable verified Miss F's income using an industry tool and then assessed her disposable income after her credit repayments.

Miss F's credit check didn't raise concerns about how she was managing her existing credit commitments, and I note that after the credit repayments (including the Lendable loan) Miss F would have around 65% of her income remaining. Based on Miss F's declared income this would be around £630. While this could be enough, I note Miss F had said she was renting and no figures were included for this (or other associated costs) and so in this case, I agree with our investigator that further checks should have been undertaken to understand Miss F's expenses.

As I think further checks were needed, I have looked through Miss F's bank statements for three months leading up to the loan application (April, May and June 2019) and used this, alongside the other information gathered, to assess what further checks would likely have identified. I think it would have been reasonable that further checks were used to confirm Miss F's income and regular expenses.

Based on Miss F's account statements, she was receiving income from her job and also benefits. This averaged around £1,450 a month. Miss F was paying around £338 for her rent and around £367 for her other costs including council tax, car tax, insurances, utilities, and communication / media contracts and subscriptions. Miss F's accounts show she was paying for existing loans and including repayments for her credit card and mail order balances outstanding at the time along with the Lendable loan repayments would result in total credit repayments of around £370.

Deducting Miss F's regular expenses (including her credit commitments) from her income would leave around £375 for Miss F's food, fuel and other living costs. While this isn't a high amount, based on the evidence I have seen, I do not find that I can say this showed the loan to be unaffordable for Miss F. I note Miss F's comments about spending on her credit card for everyday essentials. But, in this case, as Miss F's credit report before the loan was provided didn't raise any concerns, and based on the costs of her credit repayments taken from her credit file and the income and other expenses seen in her bank statements the loan didn't appear unaffordable, I do not find I can say that Lendable was wrong to provide this loan.

I've also considered whether Lendable acted unfairly or unreasonably in some other way given what Miss F has complained about, including whether its relationship with Miss F 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 Lendable lent irresponsibly to Miss F or otherwise treated her 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 Miss F to accept or reject my decision before 4 December 2025.

Jane Archer
Ombudsman