

The complaint

Mr M complains Chetwood Financial Limited trading as LiveLend (LiveLend) failed to carry out thorough enough affordability checks before it approved a loan for him.

What happened

Mr M says LiveLend approved a loan of £8,100 over 48 months for him in July 2019, at a time when he already had multiple credit cards and was only making the minimum monthly payments. Mr M says if LiveLend had carried out more thorough financial checks it would have seen the loan was unaffordable and unsustainable.

Mr M wants LiveLend to refund all interest and charges along with 8% simple interest and to remove any adverse data from his credit file relating to this loan.

LiveLend says it is a responsible lender and before it approved the loan account for Mr M, it carried out an affordability assessment based on information declared by Mr M in his application, alongside data provided by credit reference agencies (CRA's). LiveLend says it verified Mr M's income using external sources and the data provided by the CRA's showed no adverse financial information recorded, and its affordability modelling showed the loan was affordable and the application met its eligibility criteria.

Mr M wasn't happy with LiveLend'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 says there are no set list of checks lenders must undertake, but these should be borrower focused. The investigator felt LiveLend collected a reasonable amount of information before it approved the loan. The investigator felt while Mr M had external debt monthly commitments, these represented around 32% of his net monthly income after taking into account the new loan it had approved and therefore didn't feel he was overcommitted.

The investigator says the credit checks LiveLend carried out showed no evidence of CCJ's, defaults or payment arrangements and while a missed payment was recorded, this was almost three years before. The investigator didn't feel it was necessary for LiveLend to obtain further financial evidence, given Mr M had passed all of its credit checks.

The investigator felt LiveLend had carried out reasonable and proportionate checks and its decision to lend was fair.

Mr M 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 hear Mr M is experiencing financial difficulties, which has impacted on his mental wellbeing and this must be a difficult time for him. When looking at this complaint I will consider if LiveLend carried out reasonable and proportionate checks before it approved the loan account for Mr M in July 2019.

Mr M's complaint centres around his view that LiveLend shouldn't have approved a loan account for him in July 2019, as he was already in financial difficulty and only making minimum monthly payments on his existing external debts.

While I understand the points Mr M 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 LiveLend 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 LiveLend what those checks must consist of, or from what sources those checks should come from.

It's worth mentioning here that LiveLend provide credit to consumers with perhaps a less than perfect or full credit history. It's also fair to say even if Mr M was only making minimum monthly payments on existing credit commitments, that in itself wouldn't be a reason for LiveLend to automatically request further financial evidence, or to decline any credit requests. What I would expect is for a reasonable level of credit checks and affordability modelling to be carried out before any loan was approved, and on balance I am satisfied it did that here.

I say this because before approving the loan, LiveLend relied upon information declared in Mr M's loan application alongside data obtained from CRA's. From the information I have seen, the credit checks Live Lend performed showed while there was a missed payment recorded, this was close to three years prior. That apart, there were no obvious signs of financial stress at that time, such as CCJ's, defaults or reportable payment arrangements that might trigger further financial scrutiny.

I can also see LiveLend verified Mr M's net monthly income from external sources, and this confirmed a net monthly income of around £1,963. LiveLend then used CRA's data to calculate Mr M's monthly committed debt expenditure, including the proposed new loan and this came to approximately £630 per month, leaving him with around £1,300 per month to meet his other essential living and housing costs, which on balance I am satisfied appears sufficient.

So with that in mind, I am satisfied the checks LiveLend undertook were reasonable and proportionate and its decision to approve the loan was fair.

As I would expect in these circumstances LiveLend offered support to Mr M in 2020 and 2022 by providing payment holidays and subsequently a monthly payment arrangement. While that didn't work out fully here, given Mr M's financial position at that time, I can't say LiveLend didn't provide financial support when it was needed.

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 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 M will be disappointed with my decision, I won't be asking anymore of LiveLend.

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 21 November 2025.

Barry White
Ombudsman