

## **The complaint**

Miss B complains that Everyday Lending Limited, trading as Everyday Loans ('Everyday Loans') irresponsibly gave her a loan that she couldn't afford.

## **What happened**

In November 2023, Miss B applied for and was accepted for a loan by way of a fixed sum loan agreement with Everyday Loans. She was granted a loan of £6,000 that was to be repaid over 36 months with a monthly repayment of £386.40. The total repayable with interest added was £13,910.40.

The loan was intended to help with home improvements.

Miss B got into difficulties with meeting the repayments in mid-2024. She is currently in a payment arrangement to pay off what she still owes.

Miss B complained to Everyday Loans, saying that the account shouldn't have been opened for her and worsened her financial situation. She also says she was misled about the cost of the loan if she settled it early. She also says that when she got into difficulty meeting repayments, she was pressured about extending the loan.

Our investigator didn't recommend the complaint be upheld. He thought that the checks carried out by Everyday Loans were reasonable and proportionate. And he also didn't think Miss B had been misled about the cost of the loan or pressured into extending it.

As Miss B didn't agree, the complaint has been passed to me to decide.

## **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.

I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Miss B's complaint.

Miss B's complaint is that Everyday Loans made credit available to her that was unaffordable. On her loan application Miss B gave details about her full-time employment and her total monthly income, which worked out at around £3,575. She said she was living with her parents and not having to pay costs for board.

Everyday Loans also carried out a credit check that showed she was paying around £600 each month in other credit commitments. She didn't have any recent adverse markings on her credit file. However, there were some account defaults but it was reasonable to treat these as historical, with the most recent one being about 10 months old.

Alongside these checks, it was necessary for Miss B to give Everyday Loans access to her current account activity via open banking, so it could review the previous two months of banking transactions. That meant Everyday Loans could see details of her monthly income and the bills she had to pay each month.

Everyday Loans also looked at what Miss B's monthly committed spending was likely to be, using statistical information. It worked out that her monthly living costs would be around £2,100 and allowed an additional £100 buffer. Everyday Loans worked out that Miss B would be left with around £411 in disposable income each month after paying for the new loan. I know Miss B strongly disputes this, but it wasn't unreasonable for Everyday Loans to make its lending decision based on these figures, given the checks it did to establish her actual spending each month by looking at her bank account activity and information from a credit reference agency.

All of this means that I don't think Everyday Loans was likely to have a reason to decline to lend to Miss B. And I think the checks I've seen were enough, given her specific circumstances, to show that she would be able to repay the loan sustainably over its term.

It follows that I'm not able to make a finding that it was unreasonable for Everyday Loans to have agreed to lend to Miss B, as I haven't seen enough evidence or information to show or suggest with any real certainty that the new borrowing was likely to be unaffordable for her.

I've also thought about what Miss B has said about being misled about the cost of the loan and settling it early. I don't doubt that she's given us her best recollection but, like our investigator, I can see that the agreement sets out the total cost of the loan and includes details about settling it early. That's something that was available to Miss B when she sent the agreement and which she would have had the opportunity to consider before signing it. Miss B says she was misled about this during a telephone call with a representative. Unfortunately, that call recording is no longer available. But given that the agreement sets out what happens in terms of interest and repayments were she to settle the loan early, as things stand, I don't think there's enough evidence for me to say she was misled.

As I understand it, when she got into difficulty and missed a payment, Everyday Loans told her that one way to avoid having a missed payment showing on her credit file was to add an extra monthly repayment onto the term of the loan. It was open to Miss B to accept or reject that proposal and she of course knew her own financial circumstances. I can't say, based on what I've seen, that there's evidence to support that the offer was made to her in a way that put her under pressure.

I am sorry to have to disappoint Miss B, but having considered all the available evidence and information, especially from the time of the lending decision, I haven't found sufficient evidence to uphold this complaint.

I've also considered whether the relationship between Miss B and Everyday Loans 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 Everyday Loans lent irresponsibly to her or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

**My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 3 December 2025.

Michael Goldberg

**Ombudsman**