

The complaint

Mr I complains that Everyday Lending Limited trading as Everyday Loans irresponsibly gave him a fixed sum loan agreement he couldn't afford.

What happened

In June 2024, Mr I applied for a loan with Everyday Loans. He was given a loan of £1,000. Mr I was required to make 18 monthly repayments of £108.79. The total repayable was £1,958.22.

In September 2024, Mr I complained to Everyday Loans to say the loan had been unaffordable to him from the outset. Everyday Loans didn't uphold his complaint and said it carried out appropriate checks before lending to Mr I. It said these checks didn't reveal any affordability concerns.

I sent Mr I and Everyday Loans my provisional decision on 15 September 2025. I explained why I wasn't planning to uphold the complaint. I said:

The regulator's rules and guidance in place at the time required Everyday Loans to complete proportionate affordability checks before lending to Mr I. What is considered proportionate will vary with each lending decision. In deciding how detailed the checks ought to have been, Everyday Loans needed to take into account things such as (but not limited to): the size of the loan, the term, the size of the regular repayments, the cost and Mr I's circumstances

Everyday Loans says that as part of the application, Mr I declared he was living at home with his parents and he was responsible for paying £400 towards rent but had no liability for any household bills. Everyday Loans says it completed an income and expenditure assessment with him and Mr I declared he was employed earning around £1,155 per month and had regular monthly expenditure (including the £400 rent) of around £940. It says this left Mr I with around £215 from which to make the loan repayments of £108.79.

I can see that Everyday Loans also completed a credit check and it obtained copies of his bank account activity for his two current accounts for the recent months prior to the application. The credit check didn't reveal any existing credit commitments except for a mobile phone contract. The bank account information confirmed Mr I's declared income and gave more detail on his regular expenditure.

I've seen Everyday Loans conducted a detailed conversation with Mr I prior to the application being approved where it questioned the expenditure it could see on his bank statements, specifically, transfers to his relatives and friends and his regular cash withdrawals. From what Everyday Loans recorded of Mr I's answers to these questions, I don't think it ought to have had any significant concerns about those transactions.

Overall, I'm satisfied that Everyday Loans completed proportionate affordability

checks before lending. It gathered a reasonable level of information and evidence about Mr I's financial circumstances. However, that doesn't automatically mean it made a fair lending decision. But I'm satisfied that in the specific circumstances of this case, it did, and I'll explain why.

Having reviewed the credit check and Mr I's current account activity that Everyday Loans could see, I'm satisfied that this indicated no material affordability concerns. The income he had declared appeared to be accurate, and in several months he had been paid more than he declared. His declared expenditure also appeared to be accurate and this demonstrated that Mr I did have sufficient disposable income to meet the regular loan repayments.

After the loan repayments were taken into consideration, Mr I would be left with around £105 in disposable income each month. However, given his specific circumstances, in that he lived at home with his parents, didn't drive or own a car (he had declared this as part of the application) and had no other significant credit commitments, I don't think this level of disposable income ought to have caused any significant concern for Everyday Loans.

In the specific circumstances of this case, I don't think there was anything in the checks Everyday Loans completed that ought to have caused it material concern about Mr I's ability to repay the loan. I therefore think it made a fair lending decision.

In reaching my conclusions, I've also considered whether the lending relationship between Everyday Loans and Mr I might have been unfair to Mr I under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Everyday Loans irresponsibly lent to Mr I or otherwise treated him unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Neither Mr I nor Everyday Loans responded to my provisional 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.

As neither party had any further comments or evidence in response to my provisional decision, I've seen no reason to reach a different conclusion. I therefore don't think Everyday Loans made an unfair lending decision when granting Mr I credit, for the reasons I've set out in my provisional decision.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 28 October 2025.

Tero Hiltunen
Ombudsman