

The complaint

Mr N complains that Salary Finance Loans Limited trading as Neyber 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 N is represented by a third party but for ease of reference, I have referred to Mr N throughout this decision.

What happened

Mr N was provided with a £5,000 loan by Neyber in 2019. The loan term was 60 months and Mr N was required to make monthly repayments of £102.62.

Mr N said that adequate checks weren't undertaken before the loan was given to ensure that he would be able to make the repayments.

Neyber issued a final response dated 13 January 2025. It explained that it only provided financial products through employers and was able to verify Mr N's employment and income before lending. It carried out a credit check and used information from Mr N and third-party data for his housing and other costs. It said that Mr N's credit check didn't raise any concerns and that the loan repayments appeared affordable for him. It noted that Mr N had said the purpose of the loan was to restructure his other debts. Based on this Neyber didn't uphold Mr N's complaint.

Mr N referred his complaint to this service.

Our investigator thought the checks carried out before the loan was given were reasonable and proportionate. Noting the purpose of the loan was debt consolidation and as the checks showed the loan to be affordable for Mr N, she didn't uphold this complaint.

Mr N didn't accept our investigator's view. He didn't think the calculated disposable income was sufficient to be able to say the loan would be affordable for him. He said his credit file showed late payments and his mortgage cost was higher than the amount included for his housing costs.

Our investigator responded to Mr N's comments. She noted Mr N's calculated disposable income and that the loan was intended for debt consolidation. She explained the difference in Mr N's mortgage cost shown on his credit file and the amount included in the assessment was due to Neyber identifying that the mortgage was held in joint names and so it calculated Mr N's share based on his income as a portion of household income.

Mr N didn't accept our investigator's position. He said that Neyber couldn't rely on him using the loan for consolidation.

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.

As Neyber provides loans through employers, it had access to Mr N's employment and income data and so this could be verified. It carried out a credit check so it could assess how Mr N was managing his existing credit commitments, and this didn't raise any concerns. Mr N said the purpose of the loan was debt consolidation and I find it reasonable this was taken into account. Mr N's credit file and third-party data was used to assess his credit costs and other expenses.

While I think the initial checks were reasonable, especially given Mr N's credit report showed he was managing his existing credit commitments, Neyber calculated Mr N's disposable income to be around £97. This is a low amount to account for any unforeseen or unexpected costs. I also note that while the loan was for debt consolidation, the debts Neyber said Mr N would repay only accounted for around £2,090 and so the remainder of the loan was additional lending. The benefit of the consolidation was calculated to be around £67 while the new loan repayments were around £103. So, taking on this loan, even with the debt consolidation, would have increased Mr N's total debt and monthly repayments.

So, while Mr N's income was verified, given the low disposable income calculated and increase in his credit, I think Neyber should have verified Mr N's expenses rather than relying on estimates, to ensure that it had an accurate figure for his outgoings and a clear understanding as to whether the loan repayment would likely be affordable for him. Therefore, I requested copies of Mr N's bank statements for the months leading up to the loan being provided to see what further checks would have identified. However, Mr N has explained that he is unable to provide these and so I have had to make my decision based on the information that is available.

Mr N declared an annual income of £21,000 which was verified by his employer. This gave a calculated net monthly income of £1,436. His credit check showed he had an outstanding mortgage as well as loans totalling around £5,405, revolving credit of around £2,035 as well as a £1,551 overdraft and another £1,000 credit facility. This gave total credit (excluding the mortgage) of around £10,222. Mr N's repayment towards his existing non-mortgage credit commitments was recorded as around £334 which I find reasonable based on his credit file. Mr N had said the loan was for debt consolidation and while I note the comment made about this not being guaranteed, I think it reasonable that Neyber would rely on the information Mr N had given about his intended use of the funds and I note the savings from the consolidation were calculated as £67.

Mr N's credit file showed he had a mortgage with monthly repayments of £422. Neyber has explained that as the mortgage was in joint names it apportioned the costs. Without further evidence to the contrary, I find this a reasonable approach. While 50% of the mortgage would give a figure of around £211, Neyber apportioned Mr N's share based on his and his partner's income. This gave a higher figure of around £281. Neyber included an amount of

around £689 for Mr N's living expenses and again without further evidence I do not find I can say this was unreasonable. Based on these figures, Mr N would be left with limited disposable income after the Neyber loan repayments, but without further evidence and noting the purpose of the loan, I do not find I have enough to say that the loan should have been considered unaffordable.

I've also considered whether Neyber acted unfairly or unreasonably in some other way given what Mr N has complained about, including whether its relationship with him might have been viewed as unfair by a court under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Neyber lent irresponsibly to Mr N 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 N to accept or reject my decision before 24 December 2025.

Jane Archer
Ombudsman