

## The complaint

Mrs S complains Everyday Lending Limited trading as Everyday Loans irresponsibly lent to her.

## What happened

Mrs S took out an unsecured loan from Everyday Loans. This loan was approved on 15 September 2021 and was for £2,000; the monthly repayments were £182.07 and the total repayable was £3,277.26. This had an 18-month term. The loan was taken out to pay for car repairs that Mrs S expected would be needed after her car's MOT.

Mrs S says the lender failed in their duty to carry out appropriate affordability checks. She says she was already in financial difficulty, with missed payments and defaults recorded on her credit file. She believes Everyday Loans acted irresponsibly by not properly assessing whether she could afford the loan. She says this caused her significant financial and emotional stress.

She wants Everyday Loans to refund all interest and charges, and write off any remaining balance. She also wants them to remove any negative information from her credit file.

Everyday Loans issued a final response letter on 23 July 2025. They said that before giving out the loan they carried out checks to ensure that Mrs S could pay this back. They say their checks showed the loan to be affordable based on the information available to them. They don't agree that they lent irresponsibly.

Mrs S wasn't satisfied with Everyday Loans response and referred her complaint to this Service.

Our Investigator didn't uphold the complaint. She reviewed all the available evidence for the period leading up to the loan application. She concluded that the affordability assessment completed by Everyday Loans was accurate. She found that the credit check they made showed no negative information and supported their decision. She decided that Everyday Loans had made a fair lending decision and that the loan was affordable and sustainable.

Unhappy with this, Mrs S asked for an ombudsman's review. She argues that she had a significant number of gambling transactions at the time of the application, and she thinks these were overlooked. These transactions totalled hundreds of pounds. She feels they showed a clear pattern of financial strain.

She believes that this vulnerability was ignored in Everyday Loans assessment of affordability. She also says that she has serious health issues that have left her largely bedbound and unable to manage complex financial matters. She feels the stress of the loan has made her medical condition worse and that the lender should've taken this into account.

Because an agreement couldn't be reached, 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 kept in mind the regulator's rules and guidance on responsible lending (set out in its Consumer Credit Sourcebook – CONC) which lenders, such as Everyday Loans, need to abide by. Everyday Loans will be aware of these, and our approach to unaffordable/irresponsible lending complaints is set out on our website. I've used this approach to help me to decide Mrs S' complaint. I won't refer to the regulations in detail here, but will summarise them.

The rules and regulations mean that Everyday Loans needed to carry out reasonable and proportionate assessments of whether Mrs S could afford to repay what she owed them in a sustainable manner. Being able to sustainably repay credit means that they needed to consider whether she could repay the loans without undue difficulty, while being able to meet her other commitments and without having to borrow further.

There isn't a 'set list' of checks that lenders need to carry out. The checks Everyday Loans carried out did however need to be proportionate to the nature of the credit – such as the amount borrowed or the loan term. They also needed to be suited to Mrs S' particular circumstances, in order to treat her fairly.

To reach a decision I've considered whether Everyday Loans completed reasonable and proportionate checks when assessing Mrs S' loan application, to satisfy them that she would be able to make the repayment without experiencing adverse consequences and, ultimately, whether Everyday Loans made a fair lending decision.

I can see that Everyday Loans conducted a detailed creditworthiness and affordability assessment, using information from Open Banking sources and data from the Credit Reference Agencies (CRAs). They recorded that Mrs S had an income of around £1,724 per month, made up of her salary of £1,633 and child benefit of £91. Her total loan balances were £4,352 and she had other credit of £8,092. Everyday Loans calculated she had monthly payments towards these credit commitments of around £707 and monthly living expenses of £673. Mrs S had no costs for housing, as she was living in tied accommodation, as part of her employment contract. Her total expenditure was calculated as £1,380.

Everyday Loans calculated from these checks, that after making the repayment of £182.07 for this loan, Mrs S had disposable income of around £163. They concluded Mrs S could afford the repayments she was committing to.

In view of Mrs S' arguments, I've looked closely at whether there was evidence she was struggling financially. I focused on the information the lender reviewed in the period leading up to the loan. Whilst I understand what she has said, the Open Banking data and the CRA report didn't show any adverse information such as defaults, County Court Judgements or bankruptcy. While there were a lot of payments to other creditors, everything appeared to be well managed. The evidence that Mrs S has provided about a repayment failure notice, missed payment and arrears relates to a period outside the timeframe reviewed by Everyday Loans.

I believe the checks Everyday Loans carried out were proportionate, and considering the amount being provided to Mrs S, and the information they gathered in these checks, I don't think they acted unfairly when providing Mrs S with the loan. I say this because it was for a relatively modest amount of £2,000, and although there were some signs of financial difficulty in the past, everything in recent months had been much improved. It wouldn't be a

significant cost for Mrs S to repay this credit in a reasonable period of time, based on her salary and existing credit commitments.

I've also carefully considered what Mrs S said about her vulnerability as a result of gambling and ill health, and I'm sorry to hear about it. I understand that being in debt can exacerbate things. I've also reviewed the information she provided in support of this. The statements she provided were for a year before this application, so while they paint a broader picture, I don't think they can be relied upon when considering whether this lending decision was unfair or not. She also provided a list of transfers to other accounts she says were used to fund gambling activities in the three months before the application. I don't think these transfers would've been obviously gambling to Everyday Loans when they were reviewing the statements and so I can't say they've treated her unfairly.

I've also considered what she has said about her ill health and its impact on her ability to handle her financial commitments. Everyday Loans say they weren't made aware of this, there is no record on their internal notes and I haven't seen anything to suggest that Mrs S told them. Because of this, I've had to consider whether Everyday Loans ought reasonably to have known about any vulnerability. While I'm sympathetic to both the impact of her health and gambling concerns, there's nothing in the evidence I have seen that would've alerted Everyday Loans to either of these factors at the time. I would therefore not have expected them to have taken extra steps.

I've thought carefully about what Mrs S has said. However, I've had to rely on the available data to help me to decide whether Everyday Loans acted fairly when lending to Mrs S. I'm satisfied, having reviewed all of the evidence, that the loan repayment appeared affordable for Mrs S at the time of application. I'm of the opinion that Everyday Loans would've been reasonably entitled to think that they wouldn't be increasing Mrs S' existing indebtedness in a way that was unsustainable or otherwise harmful. In summary, based on her circumstances, income and fixed costs at the time, the decision to approve the loan was reasonable.

In reaching my conclusions, I've also considered whether the lending relationship between Everyday Loans and Mrs S might have been unfair to Mrs S under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Everyday Loans did not lend irresponsibly when providing Mrs S with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So, while it'll likely come as a disappointment to Mrs S, I won't be upholding her complaint against Everyday Loans for the reasons explained above. I would however remind Everyday Loans of their ongoing obligation to treat Mrs S fairly, and with forbearance.

### **My final decision**

I am not upholding Mrs S' complaint against Everyday Lending Limited trading as Everyday Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 11 March 2026.

Alison Wharton  
**Ombudsman**