

The complaint

Mr M complains that Everyday Lending Limited trading as Evlo was irresponsible in its lending to him.

Mr M is represented by a family member but for ease of reference, I have referred to Mr M throughout this decision.

What happened

Mr M was provided with a £1,000 loan by Evlo in July 2025. The loan term was 18 months, and Mr M was required to make monthly repayments of £103.54.

Mr M said that at the appointment where the loan was discussed, it was acknowledged that he already had a very high amount of debt including debts taken out within the same month. Despite this the loan was approved. Mr M said that had proper checks been undertaken, Evlo would have realised he had very limited disposable income and that his monthly repayments for existing credit commitments were a large portion of his income. Mr M said this loan was unaffordable and has caused him extreme stress and anxiety.

Evlo issued a final response to Mr M's complaint dated 15 August 2025. It said that when Mr M applied for the loan he said the purpose was to help with a family member's wedding. It said Mr M confirmed his employment and it used the lowest of his previous three months income figures to assess the affordability of the loan. Evlo noted that Mr M had said he was living with family and paid £200 for his accommodation costs. It reviewed three months of Mr M's bank statements, carried out a credit check and used third party data to assess his living expenses. Based on its checks, Evlo said the loan was affordable for Mr M.

Mr M referred his complaint to this service.

Our investigator thought the checks carried out before the loan was issued were reasonable. Based on these he didn't think that Evlo had made an unfair lending decision.

Mr M didn't accept our investigator's view. He said that Evlo had acknowledged the loan and payday borrowing that he had taken out and that disposable income of £300 of which over a third would be needed for the loan repayments wasn't responsible or sustainable lending.

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.

Mr M has explained that he fell victim to scammers who pressured him into taking out credit. I understand this has been reported. I am sorry to hear of the experience Mr M has had but this decision isn't about the scam but considers whether Evlo carried out reasonable checks before lending to Mr M and whether it made a fair lending decision.

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.

Mr M was provided with a £1,000 loan by Evlo. He was required to make monthly repayments of around £103. Before the loan was issued, Mr M had a meeting with Evlo in which his bank statements and credit file were reviewed. An income and expenditure assessment took place and Mr M's income was verified through his bank statements and his expenses were estimated based on the information provided by Mr M alongside third party data and data from the credit reference agencies.

Noting the size of the loan and the repayments due and given Evlo carried out an income and expenditure assessment, had access to Mr M's bank statements to verify his income and carried out a credit check, I think the checks carried out before the loan was issued were proportionate. However, just because I think reasonable checks were undertaken, it doesn't necessarily mean that I think the loan should have been given. To assess that I have considered the outcome of Evlo's checks to see if these raised concerns that meant further information should have been gathered or the loan not provided.

Mr M's credit check didn't raise any issues with no defaults or county court judgements recorded. While his credit report showed Mr M to only have current accounts with no overdrafts recorded, the notes from the application discussion record Mr M explaining that he had recently taken out a £10,000 loan for home improvements and a £500 loan for a family member's wedding costs. He said this loan was also to cover the wedding costs.

While this recent increase in credit could have raised concerns, Mr M provided explanations for the credit and said that they were one offs and he didn't usually take out credit and intended to repay this as quickly as possible. Based on the information Mr M provided, I do not find I can say that Evlo was wrong to lend to Mr M, so long as the lending was affordable when the additional credit costs were included.

I have considered the affordability of the loan. Mr M's income was identified as £1,787 a month. Mr M's income varied and the figure included in the assessment was the lowest amount recorded in the three months leading up to the loan (his average income over this period was noted as around £1,888). Mr M said that he was living with parents and paid £200 for his housing costs. His payments towards his creditors (including the two recent loans he had noted) were calculated as around £835. Mr M's general living costs, including a buffer, were estimated as around £288. This left Mr M with around £464 to cover the costs of the Evlo loan repayments and any unforeseen costs. Given the Evlo loan repayments were around £103, I do not find I can say that the checks suggested the loan to be unaffordable for Mr M.

Mr M has explained that he is a vulnerable adult. However, I do not have anything to show that he made Evlo aware of his vulnerabilities before the loan was issued. So, I do not find I can say that it was required to take additional action because of this. However, now that it is aware of Mr M's circumstances, we would expect this to be taken into account in its dealings with him. Evlo has explained that it will consider a customer's situation with forbearance where possible and we would expect it to work with Mr M in regard to his outstanding loan balance. .

I've also considered whether Evlo acted unfairly or unreasonably in some other way given what Mr M has complained about, including whether its relationship with Mr M 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 Evlo lent irresponsibly to Mr M 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 M to accept or reject my decision before 9 March 2026.

Jane Archer
Ombudsman