

## **The complaint**

Lendable Ltd trading as Lendable provided Miss J with an unsecured loan in September 2023. The loan was for £4,000 and required Miss J to make 36 monthly payments of around £195. Miss J says the credit was provided irresponsibly.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

Having done so, I'm not intending to uphold Miss J's complaint. I'll explain my reasoning below.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in considering Miss J's case.

I've decided the credit was provided fairly because:

- Before providing the credit, Lendable used an automated verification tool to check Miss J's income and statistical data to estimate her essential expenditure. And they used her credit file data to estimate the amount she needed to pay to creditors each month.
- Lendable also obtained Open Banking data from Miss J.
- I think these checks were reasonable and proportionate given the credit they offered and what they knew about Miss J's financial situation.
- Lendable's checks showed Miss J's net income was at least £4,198 per month. Miss J says this income was commission-based and therefore not guaranteed but she told Lendable an annual amount and this is what they were able to verify. So it was reasonable for Lendable to rely on this figure.
- The checks also showed she had five unsecured loans and going forward would need to make repayments totalling around £822 per month for those. The credit report also showed she had three credit cards, and two overdrawn current accounts – the balances totalled around £3,900 and, while one of the overdrafts was almost at its limit, the revolving credit accounts on average were well within their limits. In the preceding three years, Miss J hadn't missed any payments to creditors. She had been over her overdraft limit on a handful of occasions, but not for a sustained period. So, it appeared she was managing her debts well.

- It appears from the credit file information that Miss J would have had to pay around £1,000 per month to her existing creditors (including revolving credit) at the time. And it appears from the Open Banking data she paid around £900 per month in rent. So Lendable would have been able to reasonably assume she'd have over £2,000 per month to cover her other essential living costs even once she was making payments for this additional loan.
- Based on the information Lendable gathered and what they knew about Miss J's circumstances, there was nothing to suggest Miss J was likely to be unable to sustainably repay what she was being lent.
- I don't think Lendable acted unfairly in any other way.

This means I don't think Lendable did anything wrong when it provided the loan to Miss J.

I appreciate Miss J said her high levels of existing debt and the number of recent loan applications should have made it clear that she was in a "debt spiral" that was unsustainable. She added that she was using a lot of deferred payment (or "buy now, pay later") credit. In response to our investigator's view, Miss J also said her actual payments to creditors were much higher than our investigator had estimated.

However, I'm satisfied it wouldn't have been clear to Lendable that Miss J was in a debt spiral. In total she owed around £15,000 before taking out this loan – which was relatively low in the context of her annual income. Whilst she had recently taken out several agreements, she'd also repaid several – so her total debt hadn't increased suddenly or significantly. And her credit file suggests that she was generally paying her deferred payment credit within one or two months. The Open Banking data suggests that Miss J had a high level of discretionary spending (which would likely have included many of the purchases underlying the deferred payment creditors) and would have been able to readily afford the payments needed for this loan if she reduced her discretionary spending.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Lendable lent irresponsibly to Miss J or otherwise treated her unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Miss J hoped for. But for the reasons above, I'm not intending to ask Lendable to do anything to put things right.

### **My final decision**

My final decision is that I'm not upholding Miss J's complaint about Lendable Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 24 February 2026.

Clare King  
**Ombudsman**