

The complaint

Miss B has complained that Lendable Ltd were irresponsible in providing her with three loans, between 2018 and 2024.

What happened

Lendable provided Miss B with the following loans:

	Loan amount	Date	Monthly repayments	Term (months)	Status
Loan one	£2,000	August 2018	£115.13	24	Closed May 2020
Loan two	£2,000	June 2022	£70.95	48	Open
Loan three	£3,000	July 2024	£145.14	36	Open

Miss B says the lending decisions were irresponsible. She says the checks carried out were insufficient and a more thorough check would have revealed that the required repayments were unaffordable.

Lendable reviewed Miss B's complaint and didn't uphold it. Lendable were satisfied that appropriate checks were carried out prior to approving each application. They felt that there was no indication that the repayments were unaffordable.

An investigator then reviewed the merits of Miss B's complaint. During the course of this investigation, our investigator shared bank statements with Lendable that they hadn't seen before.

Upon review, Lendable felt that they shouldn't have approved loan two, so made an offer to remove all interest, fees and charges along with the adverse information they had supplied to a credit reference agency (CRA), with regards to loan two.

This is in line with the approach our service would expect for an upheld complaint and Miss B has accepted this offer. Because of this, our investigator had no requirement to review the merits of loan two, and as such it follows that neither do I.

Our investigator then reviewed the merits of loans one and three. They felt that Lendable shouldn't have approved loan one but had no concerns with regards to loan three.

Miss B accepted our investigator's view, but Lendable disagreed. In summary Lendable felt they had undertaken reasonable and proportionate checks, so asked for an ombudsman to decide.

For clarity, as Miss B has accepted Lendable's offer for loan two and she has also accepted our investigator's view for loan three, I'm not required to make a finding on those loans. I will therefore only refer to loan one in this section.

I sent Miss B and Lendable my provisional decision on 23 January 2026. I explained that I wasn't planning on upholding the complaint with regards to loan one. I said:

The rules and regulations in place at the time Lendable provided Miss B with the loan required them to carry out a reasonable and proportionate assessment of whether

she could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means Lendable had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Miss B. In other words, it wasn't enough for Lendable to consider the likelihood of them getting the funds back – they had to consider the impact of any repayments on Miss B.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Lendable did what they needed to before providing the loan.

Lendable used information declared by Miss B in her application and they did a CRA check to help them decide whether the credit was affordable for Miss B.

Miss B's file showed no adverse information on any open accounts, not having been in arrears or missed any required payments. Miss B had regularly been repaying above the minimum required on existing credit but had also withdrawn cash from a credit card during the 12 months prior to the application.

The CRA showed that at the point of application, Miss B had other debts of around £10,000. This was from a combination of loans, credit cards and the use of her overdraft facility on her current account.

In her application, Miss B declared a net monthly income of £1,113 and monthly rental payments of £220.

The CRA check verified this income with a high degree of confidence.

Lendable then used the other information supplied by the CRA to undertake an expenditure review, to assess Miss B's existing commitments and calculate whether she would have sufficient disposable income remaining for other non-discretionary living costs.

Having done so, Lendable were comfortable that the repayments were both affordable and sustainable and therefore satisfied that they had undertaken proportionate checks.

I've considered the CRA information supplied to this service by Lendable, and undertaken a similar review of committed expenditure.

As I refer to above, the existing debt appeared to be well managed and despite the occasional cash withdrawal from a credit card, I don't consider there was anything within the CRA report that would have indicated financial difficulty

Miss B's income was verified at £1,113 and she had monthly rental payments of £220 as referenced above. Her other committed expenditure, including repayments towards the existing credit card and overdraft, was around £520.

The monthly repayments for this loan were £115, which would have resulted in a remaining disposable income of around £250 per month.

Therefore, although this is finely balanced, I consider there was sufficient disposable income remaining and I don't think that Lendable acted irresponsibly at the time of the application.

Lendable agreed with the provisional decision, but Miss B didn't respond.

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 Miss B hasn't provided any further evidence for me to consider, my final decision is the same as my provisional decision; meaning that I don't think Lendable did anything wrong for loans one and three, but they shouldn't have approved loan two.

Putting things right

As Lendable shouldn't have agreed to loan two, I don't think it's fair for them to be able to charge any interest or charges under the credit agreement. But I think Miss B should pay back the amounts she has borrowed. Therefore, in line with their offer, Lendable should:

- Add up the total repayments Miss B has made for loan two and deduct these from the total amount of money she received.
 - a) If this results in Miss B having paid more than she received, any overpayments should be refunded along with 8% simple interest per year (calculated from the date the overpayments were made until the date of settlement)*. Lendable should also remove all adverse information regarding this loan from Miss B's credit file.
 - b) If any capital balance remains outstanding, then Lendable should arrange an affordable and suitable payment plan with Miss B. Once Miss B has cleared the balance, any adverse information in relation to this loan should be removed from her credit file.

*HM Revenue & Customs requires Lendable to take off tax from this interest. Lendable must give Miss B a certificate showing how much tax it's taken off if she asks for one.

In reaching my decision, I've also considered whether the lending relationship between Miss B and Lendable might have been unfair to Miss B under Section 140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I propose above results in fair compensation for Miss B in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

My final decision is that I'm upholding this complaint and Lendable must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 10 March 2026.

David Barker
Ombudsman