

## **The complaint**

Miss B complains that Zopa Bank Limited irresponsibly provided her with a loan.

Miss B is supported in bringing this matter by a representative. But, for ease, I'll refer to actions and submissions as being those of Miss B herself.

## **What happened**

In September 2024, Zopa provided Miss B with a loan for £12,500 over a term of 30 months and requiring monthly repayments of £525.17.

In summary, Miss B says the checks carried out before lending were insufficient and led to an unaffordable loan being provided to her. Zopa reviewed matters but thought its checks revealed that the lending was affordable, and so it didn't uphold the complaint. Miss B remained unhappy and brought her complaint to this service.

An Investigator here reviewed matters and thought Zopa ought to have carried out further checks, but these would have revealed the lending was likely to be affordable. Zopa didn't dispute this position, but Miss B did. In summary, she said Zopa's failure to adequately assess her circumstances has significantly impacted her mental health and wellbeing.

Ultimately, an agreement hasn't been reached. So, 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 have read and taken into account all of the information provided by both parties in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party but instead, reflects my informal role in deciding what a fair and reasonable outcome is.

Miss B has also complained that she fell victim to a scam in relation to the loan being taken out. However, this decision will deal solely with her complaint that she was irresponsibly provided with credit. As such, I've referred to Miss B throughout this decision for ease of reading, though I don't mean any discourtesy by this and is instead in keeping with my review of her complaint that the loan was unaffordable for her.

The application information shows a gross annual income of £30,000 which Zopa converted into a net monthly income of around £2,017. It says it verified this information using an external source.

The application information also shows that Miss B was renting, but no housing costs were declared. Zopa used external information to understand the rest of Miss B's expenditure and

recorded that she would have enough disposable income to afford the loan repayments. Zopa also carried out a credit check which didn't show any adverse information such as defaults or missed payments.

Here, Zopa was proposing to provide Miss B with a loan that required relatively sizable monthly payments. With that in mind, and in the circumstances of this case, I think it ought to have taken steps to understand more about her actual committed non-discretionary living expenditure before lending to her.

I've reviewed Miss B's bank statements and considered information provided about her expenditure at the time to understand what further checks would have likely revealed. I'm not saying that Zopa needed to necessarily review bank statements; it could have understood more about Miss B's committed non-discretionary living expenditure in a variety of ways. However, reviewing bank statements is an easy way for this service to piece together what these checks would have likely revealed. Having looked at these, as our Investigator said, I think further checks would have revealed that the lending was likely to have been affordable for Miss B.

I note Miss B says the information gathered wasn't indicative of her actual circumstances and that her income was much lower than what was recorded. However, Zopa says it verified this information using external sources. So, I don't think it was unreasonable for Zopa to rely on the information gathered through its further checks, nor do I think it ought to have realised the income information it gathered was less than what Miss B was actually earning at the time.

Therefore, whilst I'm sorry to hear about the impact matters have caused Miss B, I haven't found that Zopa has acted unfairly by providing the loan. It follows that I don't uphold this complaint.

I've also considered whether the relationship 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 Zopa lent irresponsibly to Miss B or otherwise treated her 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 don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 2 January 2026.

Hana Yousef  
**Ombudsman**