

The complaint

Miss G complains about the service she received regarding a payment plan when it was coming to an end for a loan account with Lendable Ltd ("Lendable").

What happened

Miss G lost her job in 2023 and contacted Lendable about a personal loan she was going to struggle to pay. She'd taken the loan in 2022, and payments were due to be around £75 a month for three years.

Miss G let Lendable know about her mental health issues and vulnerabilities at the time, and after payment plans were put in place, another was set up in December 2024, after she had completed an income and expenditure form for Lendable. It was for six months, and she was paying £10 a month. She was told that at the end of six months, if nothing more was arranged, a full payment would be taken in June 2025.

She's told us that because she'd had an assessment in April 2024 and been awarded benefits relating to her having limited capability for work, she was unlikely to have different financial circumstances after six months.

As the end of the six months approached, no contact had been made but three days before the loan payment date, Lendable contacted her on the email address she had provided to remind her that a full payment was due to be taken, and three days later, the full payment was taken.

Miss G immediately contacted Lendable about this and raised a complaint. Lendable acted quickly, and as well as explaining the refund process, they told her she could contact her bank to ask for the direct debit to be recalled, which she did, and they refunded it. She let Lendable know to avoid duplicate refunds, and shortly afterwards, a new payment plan was set up.

Lendable issued their final response letter (FRL) to her complaint shortly afterwards and didn't uphold her concerns. They said they had followed their processes and reminders were sent to the email address they held for her, and that payment plans were confirmed in writing with phone support available.

Unhappy with this response, Miss G brought her complaint to our service. It was investigated and not upheld. The investigator explained that they did think three days was too close to the payment date and she should have been notified sooner, but Miss G had also told them she'd actually changed her email address, which she believed she had told Lendable, so she didn't receive the email anyway. The investigator said that on the basis that her email address hadn't been changed with Lendable, even if Lendable had tried to update her about the upcoming end of the payment plan sooner, it doesn't appear Miss G would have seen this email either, so in fact, the late notification by email hadn't caused any distress and inconvenience. So, they didn't uphold the complaint.

Miss G didn't agree saying that this ignored the main part of her complaint about Lendable

having a duty of care to her and the fact that they had not updated her by email as they had done previously before the plan ended. This meant she hadn't had time to update things and agree a new payment plan. The case has come to me for a final 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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

Firstly, I empathise with Miss G's situation. She's lost her job, and her mental health is unlikely to lead to her getting another one in the foreseeable future. But hopefully this will not be permanent, and as such, I think it's fair and reasonable for Lendable to want to check in with her every six months to see if her situation is still the same or has got better or indeed got worse. This is the kind of behaviour I'd expect to see from a responsible lender to ensure they act in a consumer's best interests when they are having personal and financial difficulties.

The investigator has confirmed that they don't think three days before the payment amount was due to change would have given Miss G time to make arrangements for a new payment plan, and I agree with this assessment. But the next step after that conclusion is to decide what impact this late notification has had on Miss G and the circumstances, to work out if she's due compensation for this.

She's told us that she wasn't using the email address any more which Lendable held for her and had a new email address. I've seen no evidence that Lendable had been informed of this, so she didn't see the email they sent three days before the payment was due anyway. The first she knew was when the payment left her account.

On this basis, as the Investigator said, even if Lendable had given her more than three days' notice that the payment plan needed updating, she wouldn't have seen the email to do anything about it, as she hadn't updated her email address with Lendable. As such, any distress and inconvenience caused to her wasn't because of Lendable's actions but was because she hadn't updated her email address.

If Lendable had the right email address for Miss G, and she hadn't been notified in time that the payment amount was going up, that would absolutely be Lendable's fault, and any distress or inconvenience caused would be due to Lendable's actions. But this wasn't the case. Unfortunately, Miss G wasn't using this email address anymore, so whenever Lendable had contacted her, it would have gone un-noticed and the situation would have remained the same, Miss G would have only found out the payment was going up when it was taken.

I'm unclear what duty of care Miss G feels Lendable have to her. They've considered her personal circumstances, arranged payment plans, followed her communication requirements, but unfortunately, they haven't been provided an updated email address. This

is just an unfortunate situation, not anybody's fault.

When it's become clear what's happened, Lendable have very quickly acted to put things right for Miss G; they explained how she could get the payment back in the quickest way, which she did, arranged a new payment plan with her, and sent their FRL on her complaint, all within a few days. As such, I'm satisfied they've treated her fairly and won't be asking them to do anything more.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 31 December 2025.

Paul Cronin
Ombudsman