

## **The complaint**

Zopa Bank Limited (Zopa) provided Mrs N with a loan of £17,000 for home improvements in 2021. Mrs N 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 again 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 considered everything, I'm not upholding Mrs N'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 deciding Mrs N's case.

I've decided the credit was provided fairly because:

- I don't think the checks Zopa did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Mrs N's financial situation.
- Broadly the checks completed by Zopa were reasonable. But Mrs N declared in her application that the loan was for home improvements. She also declared that she was renting accommodation but didn't include in the application how much she was paying towards her living arrangements, and I can't see this was accounted for in another way. Given the reason for the loan, I think it would have been reasonable for Zopa to have clarified further, what, if anything, Mrs N was paying for her accommodation.
- Where we think a business hasn't completed the appropriate checks, we must reconstruct what those checks would likely have revealed if they had been completed. To do this we asked Mrs N to provide her main bank account statements for the months prior to the lending.
- Mrs N has been unable to provide any further information about her circumstances at the time of the lending, so I don't have enough evidence to fairly say she was likely to be unable to sustainably repay what she was being lent.
- I can see that apart from a few late payments in 2024 which appear to have been dealt with through a repayment plan, Mrs N maintained repayments to the loan well. So, I haven't seen any evidence to persuade me Zopa acted unfairly in any other way.

This means I don't think Zopa did anything wrong when it provided the loan to Mrs N.

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 Zopa lent irresponsibly to Mrs N 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 Mrs N hoped for. But for the reasons above, I'm not asking Zopa to do anything to put things right.

### **My final decision**

My final decision is that I'm not upholding this complaint about Zopa Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 9 January 2026.

Charlotte Roberts  
**Ombudsman**