

The complaint

Mr M complains that Lendable Ltd (Lendable) irresponsibly entered into a fixed sum loan agreement with him.

What happened

In June 2023, Mr M applied for a loan with Lendable. He was given a loan for £1,000. The total repayable, including the interest and fee was £1,222.86. The loan was to be repaid over 11 monthly repayments of £102.12 and a final repayment of £99.54.

Mr M complained that Lendable shouldn't have provided him with the loan. He said that appropriate affordability checks hadn't been completed and if they had Lendable would have seen that the loan was unaffordable for him. Lendable didn't think that it had acted unfairly when lending to Mr M.

Our investigator didn't recommend that the complaint should be upheld. They thought Lendable had completed proportionate affordability checks and there was nothing in the checks that suggested Mr M wouldn't be able to afford the borrowing.

Mr M didn't agree, mainly because:

- Lendable should have reviewed all his bank statements to discover his true outgoings to assess affordability and this would also have revealed his struggles with gambling.
- Because these checks were not completed this created an unfair relationship.
- Lendable should have been concerned by even the small number of gambling transactions it had sight of, along with the repeated borrowing and reliance on short term credit.
- Lendable should not have relied solely on an automated current account turnover check to verify his income.
- There has been an inaccurate assessment of his credit commitments.
- Lendable should not have assumed the loan would have been used for debt consolidation, based on what he had declared on his application.

The complaint has been passed 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.

There isn't a set list of checks Lendable was required to complete before lending to Mr M. The rules require it to ensure it carried out proportionate checks. What is proportionate will vary with each lending decision and takes into account things such as (but not limited to): the amount of credit, the size of the repayments, the cost of the credit, the purpose the credit was taken out for and the consumer's circumstances.

Mr M declared his monthly income to be £2,300. Lendable says it used a credit bureau check which verified this income to be accurate. However, I can see that Lendable had access to open banking data, where it could view some of Mr M's recent bank statements. I'm satisfied from looking at this data that Mr M's income appeared to be around £2,000 per month and I consider Lendable should have known it was possible Mr M's income was less than he'd declared at the time of the application.

Lendable also completed a credit check to understand more about Mr M's credit commitments. This check revealed that Mr M had existing unsecured borrowing with other lenders, which were being managed well. I say this because there were no adverse entries such as County Court Judgments, defaults or late payments. So, it's reasonable that Lendable had no concerns that Mr M was struggling financially based on the results of this check.

Lendable had sight of Mr M's recent bank account movements from what appeared to be his main current account (as his salary was paid into it, as were many of his debt repayments) and had established from the credit check what his regular credit commitments were and his repayment history. I'm satisfied Lendable gathered a reasonable amount of information and evidence in the specific circumstances of this case. I haven't seen anything to make me think Lendable needed to complete more detailed checks and I'm satisfied what it did was proportionate to the lending decision it was making.

Lendable completed an assessment of whether Mr M could sustainably afford the loan. Having seen Mr M's income and outgoings from the open banking data and taking into account that Mr M's income was lower than he declared on his application, I'm satisfied he could comfortably and sustainably afford the loan repayments. Mr M would have a reasonable amount of funds left each month to spend on unexpected essential spending. It's reasonable that Lendable arrived at the same outcome based on this same data it had available at the time. It follows that I'm satisfied Lendable made a fair lending decision when giving Mr M the loan.

The new loan was for the purposes of debt consolidation. Mr M says Lendable should not have relied on this information when considering whether to lend to him. However, I'm satisfied that it was fair for Lendable to take this into account because Mr M had declared his intentions to consolidate his debts and I haven't seen any reason why it ought to have questioned what he had said. By consolidating his debts it would most likely put him into a better financial position by reducing the interest he owed with existing creditors. This in turn makes the new loan more affordable.

Mr M says that repeated borrowing and reliance on short term credit should have caused Lendable some concern. Whilst I can see that Mr M's unsecured borrowing came from several sources, the overall total of around £7,000 is not significantly large in comparison to his monthly income. Mr M also had a mortgage, for which he was paying around £550 per month towards. However, regardless of the total debt and frequency of the repayments, Lendable could see from its checks that the debt was being managed well by Mr M, so there was no reason for it to be concerned.

Mr M says he was using overdraft borrowing on two other current accounts. I can see this is accurate from the credit checks Lendable carried out. However, apart from the overdraft borrowing and his mortgage, the credit check showed Mr M had very little other borrowing. So, I'm satisfied that this in isolation should not have caused Lendable any material concern, especially as Mr M had said he was taking out the loan to consolidate his debts.

I note that Mr M says that he was gambling at the time of the application. I'm not disputing the impact this can have on an individual's finances, and I'm sorry Mr M was struggling with it. I can see from the open banking data that Lendable was aware of some gambling transactions at the time of the application. However, these transactions total a small amount when compared to Mr M's income and are not frequent. I'm satisfied this alone would not have caused Lendable concern. Mainly because there were no signs of any financial struggles in the checks Lendable completed. But also because the checks showed his finances were being managed well. Further, the credit check completed showed that Mr M utilised only around a third of his available revolving credit. If Mr M was struggling, it would have been reasonable for Lendable to think he would be using more of the funds available to him.

Mr M was mainly gambling using funds in other current accounts. However, the small number of gambling transactions Lendable could see in the account it had access to, should not reasonably have led Lendable to review all of Mr M's current accounts. This is because from what Lendable could see, I'm satisfied the loan appeared affordable and there was nothing that ought to have caused any material concern about Mr M's ability to sustainably repay the borrowing.

In reaching my conclusions, I've also considered whether the lending relationship between Mr M and Lendable might have been unfair to Mr M under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Lendable did not lend irresponsibly when providing Mr M the loan account, or otherwise treat him unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.

My final decision

While it'll likely come as a disappointment to Mr M, I won't be upholding his complaint against Lendable Ltd for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 April 2026.

Jenny Hiltunen
Ombudsman