

The complaint

Zopa Bank Limited ('Zopa') provided Mr L with a personal loan in December 2024. The loan was for £15,000 and was to be repaid by way of 48 monthly repayments of £465.86. Mr L says the loan 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.

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 Mr L's case.

I've decided the loan was provided fairly because:

- I think the checks Zopa did before providing the loan were reasonable and proportionate given the amount it was lending and what it knew about Mr L's financial situation, including the debt he already owed elsewhere.
- Mr L said the loan was to consolidate other borrowing. He told Zopa about his income which was verified by Zopa using a credit reference agency. Zopa also ran a credit check which showed he owed £13,385 on credit cards and £26,331 in unsecured loans. It didn't show any recent issues with Mr L's credit history. Zopa's affordability assessment used statistical information, also taking on board that he owned his home and had a mortgage. Although his level of debt was fairly high, the checks showed he was likely to have sufficient disposable income available to be able to sustainably repay the new loan.
- I've seen that Mr L confirmed he was in full-time employment but put down joint household income in his application, rather than just his own. Zopa's checks, using a credit reference agency, verified what he'd said as being accurate. I can't reasonably expect Zopa to have been aware of this issue, unless Mr L was to have volunteered that information.
- Mr L looked like he had around £860 in disposable income available each month, from which he'd need to find the loan repayment. So he'd still be left with around £400 each month. And if he used the loan funds towards consolidating other debt he would be making inroads into the level of debt repayments he was making.
- It follows that, based on the information Zopa gathered about Mr L's circumstances that was available to it at the time, there wasn't enough to show or suggest he was likely to be unable to sustainably repay what he was being lent.

- I don't think Zopa acted unfairly in any other way. I appreciate that Mr L's financial position has worsened after he'd taken out the loan. It seems though he didn't find it necessary to reach out to Zopa for further help and support.

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

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 Mr L or otherwise treated him 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 won't be the outcome Mr L wanted, and I hope that his finances are now getting back on track for him and his wife. But for the reasons I've given 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 Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 17 March 2026.

Michael Goldberg

Ombudsman