

The complaint

Mrs H complains that Lendable Ltd was irresponsible in its lending to her.

What happened

Mrs H applied for credit with Lendable and was given a loan in March 2025 for £10,000 at an APR of 15.8%. The loan term was 60 months and required 59 payments of £237.25 and a final instalment of £229.62.

Mrs H says that she was not adequately assessed for the credit and that being provided with the loan has caused a strain on her finances and her personal relationships. To put things right, Mrs H is asking for a refund of all interest, fees and charges and for the loan to be closed with no adverse information to be reported to Credit Reference Agencies (CRAs).

Lendable investigated Mrs H's complaint and said it was satisfied that appropriate checks were carried out and that it was not irresponsible in providing Mrs H with the loan.

Our investigator didn't think that Lendable had done anything wrong by providing Mrs H with the loan. Although he found that the checks carried out were not reasonable and proportionate, he didn't think that they would have found any reason not to grant her the lending had they done further checks. So, he didn't think Lendable had made an unfair decision to lend to Mrs H.

Lendable accepted the investigator's view, but Mrs H didn't agree and mostly reiterated her previous points. She also asked for an ombudsman's review.

Because an agreement couldn't be reached, 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.

Our approach to considering complaints about unaffordable and irresponsible lending is set out on our website. I've had this approach in mind when considering what's fair and reasonable in the circumstances of this complaint. While I have taken into account the relevant laws and regulations, my decision is based on what I consider fair and reasonable given the circumstances of this complaint.

As our investigator has explained, before providing credit, lenders need to complete reasonable and proportionate affordability checks. There isn't a set list of checks a lender is required to carry out, it just needs to ensure the checks are proportionate when considering things like: the type and amount of credit being provided, the size of the regular repayments, the total cost of the credit and the consumer's circumstances.

In her application, Mrs H declared a net monthly income of £3,204. Lendable verified this against credit bureau data, which showed a figure of £1,619. It then looked at her monthly expenditure in order to calculate a disposable income. Lendable obtains figures for debt servicing costs, accommodation costs and essential expenditure costs which it then subtracts from the customer's monthly income to calculate disposable income. Lendable

used Mrs H's credit report to calculate her monthly costs for existing debt and housing costs. Her existing debt was around £6,950 in loans and around £9,600 in revolving credit. She also had a joint mortgage of around £274,000. Noting that the stated purpose of Mrs H's loan was debt consolidation, it calculated that this could reduce her monthly debt repayment amount by around £320. Although Lendable obtained access to Mrs H's current accounts through open banking, I can't see evidence that it used this information to calculate her actual outgoings for essential expenditure, but instead based its calculations on third party data.

Given the significant difference between Mrs H's declared income figure and the figure that Lendable verified, I think that this should have prompted further checks for a loan over a term of 60 months. Lendable did gather sufficient data here, given it had access to open banking, but because I can't see all the figures that Lendable used to calculate Mrs H's disposable income in the information provided it's unclear how it reviewed this information and whether it did indeed use it to understand more about her circumstances. I can't be sure that proportionate checks were carried out, so, it follows that I do not think that the checks were reasonable and proportionate.

I've gone on to consider what the information shows. The easiest way for me to piece together Mrs H's financial situation is to look at the open banking information from the three months prior to the loan being approved. From these, I can see an average salary of £2,349, plus child benefit of around £102. I've added half of this to Mrs H's salary to give an average income of around £2,400 per month.

I've calculated Mrs H's housing cost as half of the joint mortgage payment, which is around £588 per month. Looking at other essential expenditure on the joint and individual open banking information, I've calculated an approximate monthly figure of £560, and I can see that Mrs H's existing credit commitments amounted to around £725.

Taking into account the monthly payments on the Lendable loan, this leaves Mrs H with a disposable monthly income of around £290. As the loan was for debt consolidation, it's reasonable to assume that her monthly credit commitment figure would reduce. Even without any reduction, in the circumstances of this case, I think £290 is a reasonable amount of disposable income as a buffer for emergencies and any increases to the cost of living over the term of the loan.

In summary, having reviewed the open banking information provided I am satisfied that if Lendable had properly checked this, considering Mrs H's income and expenditure, the checks would have revealed sufficient disposable income to sustainably afford the lending, and have enough left over for unforeseen circumstances or emergencies.

So whilst I think Lendable ought to have better reviewed the information it had available, I am persuaded that this would have likely revealed that the lending was affordable.

I therefore do not find that Lendable acted irresponsibly by providing this loan to Mrs H.

In reaching my conclusions, I've also considered whether the lending relationship between Lendable and Mrs H might have been unfair to Mrs H 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 Mrs H with the loan. 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.

So, while it'll likely come as a disappointment to Mrs H, I won't be upholding her complaint against Lendable for the reasons explained above.

My final decision

My final decision is that I do not uphold this complaint.

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

Hannah Poulton
Ombudsman