

## The complaint

Mr D complains that Lendable Ltd (“Lendable”) irresponsibly lent to him.

## What happened

In September 2021 Mr D took out a loan with Lendable for £5,000. It was due to be repaid over 60 months, with a monthly repayment amount of £144.82.

Mr D complained to Lendable. He said the lending was unaffordable, he was already indebted and was gambling at the time. He feels the checks didn't go far enough. Lendable said they'd responded to the complaint back in 2021, and felt the complaint was outside of our jurisdiction. An Ombudsman here decided that we could consider the complaint as the original final response letter wasn't valid.

In the final response letter Lendable said although there was some adverse information on Mr D's credit file in the past, everything was up to date in the past 36 months. They said Mr D met their criteria and are therefore satisfied with their decision to lend. At the point this complaint was received in 2025, Lendable have said their position remains the same.

An Investigator looked into things. They felt that Lendable didn't complete proportionate checks due to recent arrears, so they reviewed Mr D's current account statements from the time. Having done so, they felt that even if Lendable had completed proportionate checks they still would've lent to Mr D.

Mr D didn't agree with the opinion. He felt that Lendable ought to have been aware of his gambling had they completed proper checks, he felt the Investigator's arguments were contradictory and there was evidence he was taking out loans recently which Lendable should've seen. Mr D felt the Investigator passed his gambling problem as discretionary spending.

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.

I want to start by acknowledging that it's very clear to me just how important this matter is for Mr D. He has set out his position in great detail and has provided lots of supporting information. I think it's important I explain that whilst I have read and considered all the information provided by both parties, I've outlined my findings in considerably less detail. I don't mean any courtesy by this, rather this reflects the informal nature of our service. While I know this is likely to come as a disappointment to Mr D, I have reached the same outcome as the Investigator. I'll explain my reasons why.

The rules and regulations in place at the time Lendable provided Mr D with the loan required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means Lendable had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr D. In other words, it wasn't enough for Lendable to consider the likelihood of them getting the funds back or whether Mr D's circumstances met their lending criteria – they had to consider if Mr D could sustainably repay the lending being provided to him.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Lendable did what was needed before lending to Mr D.

When Mr D applied for the loan, Lendable used the information supplied to them at application and data from a credit reference agency (CRA) check. Mr D declared a monthly income of around £4,900 which was verified by Lendable. The results of the CRA check showed Mr D did have some arrears on two of his accounts within 12 months prior to this application. He had around £7,000 in credit elsewhere and had no defaults. The results from the CRA check also showed Mr D was making more than the minimum repayment on his credit consistently. The CRA check showed Mr D had made one search in the last three months.

Based on the information obtained by Lendable at the point of application, I believe the checks were proportionate. I can see there was some adverse in the 12 months prior to the loan application, but everything was up to date, and considering the low monthly repayment amount and Mr D's income, I think Lendable's decision to lend was fair.

I understand the Investigator felt Lendable ought to have done more due to the arrears previously. I don't think this is an unreasonable assessment, however even if they had done more to check the loan was affordable, it wouldn't have made a difference.

I've looked at the current account statements from the time. This isn't because I think Lendable should've looked at them – it's so I can piece together what an adequate income and expenditure might have shown. Gambling isn't generally included when completing an income and expenditure assessment, which is why Lendable wouldn't have been aware of Mr D's problem gambling. Had they completed a full income and expenditure, it likely would've shown Mr D had sufficient disposable income to afford the loan, and therefore a fair decision to lend was made.

When considering lending complaints, there are no specific checks that lenders must complete before approving an application for credit. The rules set out by the regulator merely state that checks should take place and that they should be proportionate to the type and amount of credit being provided. But there is no obligation on lenders to ask to see bank statements, so Lendable didn't make an error when they didn't automatically ask to see Mr D's bank statements before approving the application.

I'd like to reassure Mr D that the Investigator isn't saying Mr D's gambling was 'discretionary'. What we need to consider when looking at complaints is whether it's something Lendable ought reasonably to have been aware of, and because I don't think they needed to look at his statements, I don't think they would've been aware of the gambling.

I understand Mr D was spending in a harmful way, but this wasn't evident yet on the credit file Lendable obtained at the point of application, so there was nothing to suggest the loan would be unaffordable for him.

I note Mr D's points regarding the difficult time he had – and I thank him for sharing. I understand the devastating impact of his gambling addiction, and this loan has directly contributed to this. But it would be unreasonable for me to conclude the business was solely responsible, and as a Service, we're not punitive. We consider the obligations a business had at the time, and what is expected of them.

In reaching my conclusions, I've also considered whether the lending relationship between Mr D and Lendable might have been unfair to Mr D under s140A 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 D with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

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

### **My final decision**

I do not uphold this complaint against Lendable Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 25 December 2025.

Meg Raymond  
**Ombudsman**