

The complaint

Miss L complains that Lendable Ltd trading as Zable lent irresponsibly when it approved a loan application she made.

What happened

Miss L applied for a debt consolidation loan of £1,500 with Zable in November 2024. In her application, Miss L said she was working part time with a monthly income of £1,750. Miss L also said she was renting her home. Zable says it used a service provided by the credit reference agencies that looks at current account turnover to verify her income level and says a net monthly figure of £1,553 was used. Zable carried out a credit search and found Miss L owed £6,632 in other unsecured debts. A utility account and a mail order account were found to be in payment arrangements at the point of Miss L's application and a current account had been in an arrangement nine months earlier.

As part of the application process Miss L gave Zable access to her Open Banking history for one of her current accounts. Zable says it looked at Miss L's income, made estimates for her outgoings and reached the view a loan for debt consolidation could save her around £78 a month. Zable approved the loan with a total repayment amount of £2,037.43 when interest was included over a term of 18 months. The loan had monthly repayments of £113.50 with the final repayment being £107.93.

More recently, Miss L complained that Zable lent irresponsibly and it issued a final response. Zable said it had carried out the relevant lending checks before approving Miss L's loan application and didn't agree it lent irresponsibly.

An investigator at this service looked at Miss L's complaint. They initially upheld Miss L's complaint but after additional comment and evidence from Zable the investigator reconsidered their view. The investigator thought Zable should've carried out better checks before approving the loan application. But when they looked at Miss L's two bank accounts they thought the statements for the months before the loan application showed she was able to sustainably afford a new loan and didn't uphold her complaint.

Miss L asked to appeal and said she was paying towards an ongoing Debt Management Plan (DMP) via an organisation I'll refer to as S each month. Miss L also said her bank statements didn't include a £200 car finance payment that was made from another account. As Miss L asked to appeal, her complaint has been passed to me to make a 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.

Before agreeing to lend, the rules say Zable had to complete reasonable and proportionate checks to ensure Miss L could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I've set out the information that Zable used when considering Miss L's application above. Miss L confirmed her income and it was verified via the credit reference agencies by Zable at £1,553 a month. Zable's also confirmed it completed an affordability assessment to ensure loan payments were sustainable. But I think the investigator made a reasonable point when they highlighted that two of Miss L's entries on her credit file showed she was in active payment arrangements. And another account had been subject to a payment arrangement in the previous year. Whilst there were no current arrears and Miss L's outstanding debts weren't unreasonably high, I think the arrangements should've prompted a more detailed review of her circumstances.

Zable's made the point it obtained Miss L's Open Banking history as part of the application process. But it's clear when looking at that account history it wasn't being used for the majority of Miss L's regular outgoings. I can see Miss L's income was being paid into this account and some credit card payments were made. But I'm not persuaded Zable could've got a clear picture of Miss L's circumstances by reviewing the Open Banking history it obtained.

Miss L has sent us another set of bank account statements that show regular outgoings as well as Universal Credit and Child Benefit receipts. I've taken both accounts into consideration. I looked at a period of three months before Miss L's application was made. I found Miss L's average monthly income was around £2,330. From both accounts, I took payments made for items like rent, credit commitments, communications and utilities into account and found Miss L had around £1,000 remaining each month on average.

In response to the investigator, Miss L said she was spending around £120 a week on food and £200 on car finance that wasn't shown on her bank statements. If we were to take those costs into account, that would've left Miss L with around £320 remaining.

The new loan payments were £113.50 which means that even if it wasn't used to consolidate other debts and reduce Miss L's regular outgoings, she would've been left with around £200 a month. As noted, that includes allowances for all Miss L's regular outgoings and the food spending plus car finance she's told us about. In my view, Miss L's bank statements show she was able to sustainably afford the new loan payments.

I'm sorry to disappoint Miss L but I'm satisfied it's more likely than not that Zable would've still approved her loan application even if it had carried out more detailed checks. As I haven't been persuaded Zable lent irresponsibly, I'm unable to uphold Miss L's complaint.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Zable lent irresponsibly to Miss L or otherwise treated her unfairly. I haven't seen anything to

suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

My decision is that I don't uphold Miss L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 7 January 2026.

Marco Manente
Ombudsman