

Complaint

Miss M has complained about a loan Lendable Ltd (“Lendable”) provided to her. She says that Lendable irresponsibly provided her with an unaffordable loan at a time when she was already financially stretched and couldn’t afford this loan.

Background

Lendable provided Miss M with a loan for £10,500.00 in August 2024.

The loan had an APR of 15.71% and a 48-month term. This meant that the total amount to be repaid of £13,919.36, which included interest, fees and other charges of £3,419.36, was due to be repaid in 47 instalments of £290 followed by a final payment of £289.36.

One of our investigators reviewed what Miss M and Lendable had told us. And she thought that Lendable hadn’t acted unfairly when providing Miss M with her loan. So she didn’t uphold Miss M’s complaint.

Miss M disagreed and asked for an ombudsman to look at her complaint.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Miss M’s complaint.

Having carefully considered everything, I’ve decided not to uphold Miss M’s complaint. I’ll explain why in a little more detail.

Lendable needed to make sure it didn’t lend irresponsibly. In practice, what this means is Lendable needed to carry out proportionate checks to be able to understand whether Miss M could afford to repay before providing this loan.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Lendable says it agreed to Miss M’s application after she provided details of her monthly income and expenditure. It says it cross-checked this against information it obtained on the

amount of funds Miss M received into her bank account each month and a credit search which it carried out.

In its view, the information it gathered about Miss M's income and expenditure showed that Miss M would be able to make the repayments she was committing to. Lendable says, in these circumstances it was reasonable to lend.

On the other hand, Miss M has said the loan was unaffordable because of her credit history and the amount of loans she already had. So she shouldn't have been lent to.

I've carefully thought about what Miss M and Lendable have said.

The first thing for me to say is that this was Miss M's first loan with Lendable. The information provided does suggest Miss M was asked to provide details of her income and expenditure and Lendable didn't just rely on what it was told. It cross-checked Miss M's declaration of income against information that it obtained from credit reference agencies and this suggested that it could be confident that Miss M broadly received what she said she did each month.

Furthermore, while I accept that Miss M might not agree with this, I don't think that the amount of Miss M's existing credit was excessive. This is especially as the information from the time shows that Miss M's selected loan purpose was consolidation of her existing debts. Equally, as there wasn't anything in the credit checks to indicate that Miss M had any recent significant adverse information – such as defaults or county court judgments (“CCJ”) – recorded against her.

I don't know whether Miss M did go on to consolidate some of her other debts with the proceeds of this loan. In any event, Lendable won't have known whether Miss M would actually pay off any existing balances – all it could do was take reasonable steps and rely on assurances from Miss M that this would be done. And I'm satisfied that the proceeds of this loan could and should have been used to clear a proportion of the existing debt that Miss M had which would have seen her overall costs reduce rather than increase.

There is an argument to say that bearing in mind the amount of the monthly payment, at the absolute most, Lendable ought to have found out more about Miss M's actual regular living expenses, rather than relying on statistical data. Although the output from Miss M's application appears to suggest that a figure of £0 may have been inputted at the time. In any event, Miss M hasn't provided me with information that clearly shows me that her actual monthly non-mortgage living expenses were significantly higher than the estimates that Lendable relied on.

In these circumstances, I don't think that Lendable finding out more about Miss M's regular living expenses would, in any event, have resulted in it determining that Miss M would be unable to make the monthly repayment on this loan.

As this is the case, while I sympathise with Miss M's situation and I'm sorry to hear that she's found making her repayments difficult, I don't think that Lendable did anything wrong when providing this loan to her. It is arguable that it carried out proportionate checks and reasonably relied on what it found out which suggested the repayments were affordable.

But even if Lendable had asked Miss M for more information about her regular living costs and contractually committed expenditure here this wouldn't have made a difference to its decision to lend. In my view, this would have simply reinforced the notion that if Miss M did go on to repay some of her existing debts with the proceeds from this loan in the way that she said she would, she could end up in a better financial position.

In reaching my conclusions, I've also considered whether the lending relationship between Lendable and Miss M might have been unfair to Miss M under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Lendable irresponsibly lent to Miss M or otherwise treated her unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here. So I'm not upholding this complaint.

As this is the case, I'm not upholding Miss M's complaint. I appreciate this will be very disappointing for Miss M. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

Although I'm not upholding Miss M's complaint, I would remind Lendable of its continuing obligation to exercise forbearance and due consideration, given what Miss M has now said about her financial position and the reduced payment arrangement in place at the time the complaint was referred to us, may have expired.

I would also encourage Miss M to get in contact with and co-operate with any steps that may be needed to review what she might, if anything, be able to repay going forward. Miss M may be able to complain to us – subject to any jurisdiction concerns – should she be unhappy with Lendable's actions in relation to exercising forbearance over the remainder of the term.

My final decision

My final decision is that I'm not upholding Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 9 February 2026.

Jeshen Narayanan
Ombudsman