

The complaint

Mrs H says Everyday Lending Limited, trading as Evlo, irresponsibly lent to her.

What happened

Mrs H took out a loan for £12,500 over 60 months in November 2023. The monthly repayments were £443.89 and the total repayable was £26,633.40.

She says the loan was not affordable and she was already struggling financially.

Our investigator upheld Mrs H's complaint. She said the checks were proportionate, but the lending decision was wrong.

Evlo disagreed and said, in summary, Mrs H requested this loan with the intention of consolidating debts and with the knowledge of the cost. She made an informed decision that the additional cost was a benefit to her to increase her monthly disposal income.

As the parties did not reach an informal resolution, the complaint was passed to me to make a decision.

I reached a different conclusion to the investigator so I issued a provisional decision. An extract follows and forms part of this final decision. I asked both parties to provide any further comments or evidence for me to consider by 28 November 2025.

Extract from my provisional decision

I can see Evlo asked for some information from Mrs H before it approved the loan and it accessed three months of her incomings and outgoings using open banking. It asked for details of her income and checked this against the open banking data. It asked about her housing costs and estimated her living costs using national statistics. Where it could see higher or other costs in the open banking data it adjusted the figure it used. It also checked Mrs H's credit file to understand her existing monthly credit commitments and credit history. It asked about the purpose of the loan which was debt consolidation, it confirmed which debts she was going to settle. From these checks combined Evlo concluded Mrs H could afford to take on the loan.

I think these checks were proportionate and I am also satisfied Evlo made a fair lending decision based on the information it gathered. I'll explain why.

Evlo used Mrs H's lowest monthly net income from its checks which was £3,158.59. It calculated her total outgoings (share of housing/living costs and her existing credit commitments) to be £3,305.27 meaning she had no monthly disposable income.

This loan however was for debt consolidation. Evlo asked which debts Mrs H was going to settle and calculated that her existing credit commitments would fall to £621.94. Once Mrs H had added the cost of this new loan, she would be paying £1,065.83 each month giving her a new disposable income of £227. So I think it was reasonable for Evlo to lend to her.

It could only make a decision based on the information it had available at the time. Evlo took reasonable steps to ensure the payments would be affordable for Mrs H, discussing all her outgoings in detail with her. She didn't have a history of applying for loans with Evlo for debt consolidation purposes and then returning for further funds after having failed to consolidate as she said she would, so I think Evlo was reasonably entitled to believe the funds would be used for the stated purpose.

I anticipate Mrs H will be disappointed by my findings. I have reviewed the summary of her outgoings pre and post this loan that she submitted to this service. There are some key differences between her figures and the data Evlo used to inform its lending decision but I find these to be reasonable. When she applied Evlo asked about a payment of £612 that debited her account at the start of the month. Mrs H said it was a payment to her father, but that it was not a monthly commitment, rather it was a contribution to her wedding and there was only one payment left to be made before May 2024. So Evlo did not include this as an ongoing cost.

Mrs H also listed a £664 cost to PayPal as an ongoing outgoing. But the open banking data shows her PayPal spend was a mixture of discretionary spend and repayments on PayPal's buy now pay later product. They were variable and short-term commitments that would not be ongoing over the 60-month loan term. In addition, Mrs H had told Evlo these costs would be settled with this loan.

The credit check Evlo completed showed that Mrs H had a significant level of debt, but it was well-managed. And the purpose of this application could fairly have led to Evlo to conclude that she was taking steps to improve her financial position, and the monthly affordability of her debt.

In the round I think it was fair for Evlo to lend to Mrs H.

I appreciate the investigator debated whether the loan really helped Mrs H in the long term. But the decision to take out a consolidation loan often requires the applicant to balance, and prioritise, their short-term and longer-term financial needs. Whilst the lender holds the primary regulatory obligations and must complete proportionate checks to make a fair decision, the applicant has a role to play in making an informed decision about whether to accept the loan offer, or not. This includes taking steps to understand how a debt consolidation loan works – that is, that it combines multiple debts into one but can extend repayment terms and potentially increase the cost of borrowing.

I've also considered 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 Evlo lent irresponsibly to Mrs H or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

I am sorry Mrs H is having financial difficulties but for the reasons set out above I cannot fairly conclude Evlo lent to her irresponsibly.

Mrs H disagreed with my provisional decision and said, in summary:

- The £612 payment to her father was nothing to do with her wedding. This was not even booked at this stage. It was the ongoing repayment of money he had lent her in September to settle other debts.
- There are no other payments made to and from the account from his account for any

weddings, expect the £1,000 deposit which was paid for the venue.

- Evlo contacted her repeatedly after she applied but didn't want to go ahead. She felt pressured to take out the loan. It made her feel she had no option and she was in a desperate state financially.
- At this time she was suffering with her mental health and her ability to make sound decisions was impacted. Mrs H offered to provide medical evidence to evidence this.

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 unaffordable/irresponsible lending complaints is set out on our website and I've followed it here.

I have thought carefully about Mrs H's comments, but they do not change my conclusion. I will explain why.

Mrs H argues that the £612 monthly repayment to her father needs to be included as an ongoing cost in the affordability assessment. As her testimony contradicted Evlo's application notes from the time I requested a copy of the call recording from 27 November 2023 when it was discussed. On this call Evlo asks about the £612 payment and Mrs H says it's not a payment, it's to her dad for the wedding as she's getting married next year. He's been helping but she's giving the money back. Evlo asks how many more payments will there be and she says there's just one left but not until May next year. Evlo confirms so it's been repaid in consecutive months, but now there's just one left. Mrs H agrees and adds it's also not an obligation, it's just to her dad. It maybe there was some confusion and Mrs H was referring to other wedding costs her dad was involved in, but based on the conversation Evlo's conclusion was fair. It had called specifically about the £612 payment.

So I find Evlo's decision not include it as an ongoing cost to be reasonable. To be clear, I can see she used some of the money her dad lent her to settle other debts, but this does not change the fact that she gave Evlo the impression the £612's were wedding-related with only one more payment needed. And I can only fairly expect it to respond to the information she gave. It was an informal family loan so there was no reporting from the credit reference agency it could rely on – hence it had called Mrs H to clarify.

Mrs H says she felt under pressure as Evlo contacted her repeatedly. She sent evidence of five calls she received on 27 November 2023. Evlo also sent evidence of these contacts and their purpose. Calls 1, 3 and 4 were voicemail messages – it did not speak to Mrs H. Call 2 was to confirm which debts Mrs H intended to settle with this new loan and call 5 was to discuss the £612 payment referred to above. As I have now listened to the last call, as well as reviewing the noted purpose, I cannot agree Evlo was pressurising Mrs H. Rather it was gathering more information before reaching a lending decision.

Mrs H also shared the lender's response to an email she sent the day after she decided not to proceed. Again, I cannot fairly find this was unreasonable – it was a follow-up setting out how its debt consolidation loan would change her outgoings on a monthly basis. I do not mean to diminish the impact it had on Mrs H and I accept she may have felt pressured, but I am not persuaded that was Evlo's intent.

Mrs H has shared that her mental health was poor at the time and this impacted her financial decision-making. However, as I have not seen any evidence that Evlo was aware of her

circumstances in November 2023, I cannot fairly expect it to have made any reasonable adjustments during the application process.

As there is an outstanding balance on the loan and Evlo is now aware of Mrs H's vulnerabilities, the parties must work together to agree an affordable repayment plan, with Evlo making any reasonable adjustments needed to do this. I would remind it of its obligation to treat Mrs H positively, with forbearance and due consideration. If it requires any medical evidence from Mrs H to better understand her circumstances it should let her know directly.

I anticipate that Mrs H will be disappointed with this decision, but I hope she can now better understand why I have reached this conclusion. I am sorry she has struggled financially and with her mental health. I hope she now has the support she needs. If not, she may find it helpful to seek support from an organisation that can offer free debt management advice such as StepChange (tel: 0330 055 2198) and/or MIND (tel: 0300 123 5393) for support with mental health issues.

My final decision

I am not upholding Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 26 December 2025.

Rebecca Connelley
Ombudsman