DRN-5985514

The complaint

Mr P says Lendable Ltd irresponsibly lent to him.

What happened

Mr P took out a 60-month instalment loan for £10,000 from Lendable on 4 December 2024. There was a loan fee of £586 and the monthly repayments were £245.75.

Mr P says Lendable should not have lent to him. He believes the loan was granted irresponsibly, without adequate affordability checks. He is now in a position of severe financial hardship and asks that the outstanding balance be written off.

Lendable says its checks were appropriate and showed Mr P could afford to take on the loan which was for debt consolidation.

Our investigator did not uphold Mr P's complaint. He said the lender's checks were proportionate and it made a fair lending decision.

Mr P disagreed with this assessment and asked for an ombudsman's review. He said, in summary, his level of indebtedness should have triggered further checks to ensure the repayments were sustainable, irrespective of the purpose of the loan. His debt burden was already substantial.

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.

The rules and regulations when Lendable lent to Mr P required it 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 an affordability check. The checks also had to be borrower-focused. So Lendable had to think about whether repaying the credit sustainably would cause any difficulties or adverse consequences for Mr P.

In other words, it wasn't enough for Lendable to simply think about the likelihood of it getting its money back, it had to consider the impact of the repayments on Mr P. Checks also had to be proportionate to the specific circumstances of each loan application. In general, what makes up a proportionate affordability check will be dependent upon a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, and any indications of vulnerability or financial difficulty) and the amount, type and cost of credit they have applied for.

In light of this, I think that a reasonable and proportionate check ought generally to have been more thorough:

- the lower a customer's income (reflecting that it could be more difficult to make any repayments to credit from a lower level of income);
- the higher the amount due to be repaid (reflecting that it could be more difficult to meet higher repayments from a particular level of income);
- the longer the period of time a borrower will be indebted for (reflecting the fact that the total cost of the credit is likely to be greater and the customer is required to make repayments for an extended period).

There may also be other factors which could influence how detailed a proportionate check should've been for a given application – including (but not limited to) any indications of borrower vulnerability and any foreseeable changes in future circumstances.

I've kept all of this in mind when thinking about whether Lendable did what it needed to before agreeing to lend to Mr P. So to reach my conclusion I have considered the following questions:

- did Lendable complete reasonable and proportionate checks when assessing Mr P's loan application to satisfy itself that he would be able to repay the loan in a sustainable way?
- if not, what would reasonable and proportionate checks have shown?
- did Lendable make a fair lending decision?

- did Lendable act unfairly or unreasonably in some other way?

I can see Lendable asked for some information from Mr P before it approved the loan. It asked for details of his monthly income and verified this with a third-party source that reviewed his current account turnover. It asked for his housing and living costs. It checked Mr P's credit file to understand his credit history and current commitments. It asked about the purpose of the loan which was debt consolidation. From these checks combined Lendable concluded Mr P had enough monthly disposable income to afford to repay the loan.

I think these checks were proportionate and did not show any indications that Mr P was struggling financially and could not sustainably afford this loan. I'll explain why.

Mr P declared a monthly income of £2,591 and Lendable's external checks verified this was accurate with the highest confidence rating. So I don't think Lendable needed to ask for bank statements or payslips. This is not something lenders are obliged to do. Lendable has confirmed had there been any discrepancy between Mr P's declaration and its checks it would have asked for additional proof of income, but it did not need to so in this case. I find this to be fair and reasonable.

Mr P's credit commitments taken from the lender's credit check were £752.13 (after taking into account the saving of £323.96 from debt consolidation). This left ample disposable income to cover Mr P's other non-discretionary outgoings. He had declared these to be £563.52, and the lender also sense checked his remaining disposable income was sufficient to cover his essential expenditure using national statistics. In the round, I find it was fair for Lendable to conclude Mr P could afford this loan.

Lendable could only make a reasonable decision based on the information it had available at the time. All Lendable could do was take reasonable steps to ensure the payments would be affordable for Mr P. And as Mr P didn't have a history of applying for loans with Lendable for consolidation purposes and then returning for further funds after having failed to consolidate as he said he would, I think Lendable was reasonably entitled to believe the funds would be used for the stated purpose.

The credit check showed Mr P had £23,008 of debt. He was up-to-date with all his active accounts and there were no defaults or CCJs registered against him. He was using 43% of his available revolving credit. Mr P had opened no new lines of credit in the previous six months and there was only one search on his credit file from the last three months suggesting he was not overly reliant on credit. He had three current accounts and was using the overdraft facility on one of these accounts, but as this loan was for debt consolidation I do not think that needed to stop Lendable accepting Mr P's application. He had historically withdrawn cash on credit but had not done so in the 12 months prior so I do not think this ought to have concerned Lendable. Nor had he made any minimum payments in the last 12 months, or missed any payments in the last 36 months. He was not using payday loans. In the round, I can't fairly conclude there were any signs of financial difficulty that Lendable missed.

Mr P has sent in a statement showing his debt level was £138,029 but this is from August 2025. I can only consider how Lendable responded to the data about his debt at the time of his application.

It follows I find Lendable wasn't wrong to give the loan to Mr P.

I've also considered whether the relationship might have been unfair under Section140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Lendable lent irresponsibly to Mr P or otherwise treated him 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.

My final decision

I am not upholding Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 February 2026.

Rebecca Connelley
Ombudsman