

## The complaint

Mr O complains that Amalfi Capital Limited trading as Reevo was irresponsible in its lending to him and that he was not adequately assessed for the credit.

## What happened

Mr O applied for credit with Reevo and had a loan approved as follows:

Date	Amount of credit	APR	Loan term	Repayments
December 2024	£3,000	32.71%	24 months	23 monthly payments of £165.65 Final payment of £254.52

Mr O says that he was not adequately assessed for the credit and that the lending decision was irresponsible. He says that he was experiencing issues with gambling at the time as well as going through financial difficulties and he feels that being given the loan has worsened his financial situation.

Reevo reviewed Mr O's complaint but did not agree that it was irresponsible in providing the loan. It says that it is satisfied that appropriate checks were made, proportionate to the amount of credit being approved.

Our investigator reviewed matters and didn't think that Reevo had done anything wrong by providing the loan to Mr O and that its checks were adequate with affordability established.

Reevo didn't dispute this opinion, but Mr O did.

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.

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Our approach to considering complaints about unaffordable and irresponsible lending is set out on our website. I've had this approach in mind when considering what's fair and reasonable in the circumstances of this complaint. While I have taken into account the relevant laws and regulations, my decision is based on what I consider fair and reasonable given the circumstances of this complaint.

As our investigator has explained, before providing credit, lenders need to complete reasonable and proportionate affordability checks. There isn't a set list of checks a lender is required to carry out, it just needs to ensure the checks are proportionate when considering

things like: the type and amount of credit being provided, the size of the regular repayments, the total cost of the credit and the consumer's circumstances.

Before the loan was approved, Reevo undertook a credit checks and gathered information about income and outgoings, which it took into account when assessing the affordability of the loans.

Mr O declared an annual salary of £81,000, from which Reevo calculated a net monthly income of £4,844.77. Mr O stated the purpose of the loan as home improvement. Reevo calculated his outgoings by using a mixture of credit bureau data, internal modelling and figures declared by Mr O. Where it had different figures across these sources, it used the highest figure in order to take a conservative approach. It used a figure of £850 for his mortgage, £783.58 for other essential expenditure and £186 for his existing credit commitments. It then applied an affordability buffer of £50 and took account of the monthly repayment on the loan of around £165. It deducted these total outgoings from his net monthly income, which left a disposable income of £2,809.55 per month.

Reevo also carried out a credit search. This did not show any adverse information, such as defaults, IVAs or bankruptcies, although Reevo noted that there had been 8 searches in the previous 3 months, but only 1 new borrowing. Mr O's other credit accounts were well managed with no arrears and his credit utilisation was low so this did not raise a concern or show anything that indicated Mr O was experiencing financial difficulty at that time.

Given the amount and term of the loan, and the fact that the credit check did not show any concerns, I believe that the checks Reevo carried out were proportionate.

But it doesn't end there. I have looked at the information Reevo gathered in their proportionate checks, to see whether they made a fair lending decision. I can see that Mr O was left with a very generous disposable income of around £2,800 per month and the monthly repayments were a relatively modest amount. It follows, therefore, that I don't think Reevo acted unfairly in providing Mr O with the loan.

I note that Mr O has provided our Service with further detail on his financial situation at the time of lending. I can see from this that the checks undertaken by Reevo did not necessarily reveal the full extent of his circumstances, but this is not a failure on its part, as the checks were proportionate to the lending and did not give any indications that it should have requested further information such as current account statements.

In reaching my conclusions, I've also considered whether the lending relationship between Reevo and Mr O might have been unfair to Mr O under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Reevo did not lend irresponsibly when providing Mr O with the loan. And I haven't seen anything to suggest that Section 140A 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 O, I won't be upholding his complaint against Reevo for the reasons explained above.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 20 March 2026.

Hannah Poulton  
**Ombudsman**