

## The complaint

Mrs A complains that Zopa Bank Limited was irresponsible in its lending to her on two occasions and that she was not adequately assessed for the credit.

## What happened

Mrs A applied for credit with Zopa and had loans approved as follows:

Agreement Number	Date	Amount of credit	APR	Loan term	Monthly repayment
Z99831438	February 2025	£22,600	16.3%	48 months	£631.52
Z36786726	August 2025	£4,500	24.2%	48 months	£141.46

Mrs A says that she was not adequately assessed for the credit and that the lending decisions were irresponsible.

Zopa reviewed Mrs A's complaint but did not agree that the loans were unaffordable, or that it did not perform adequate checks for these loans. Zopa said that it completed a number of checks before approving the loans, including a review of Mrs A's credit file and an affordability assessment. It believes that its checks were adequate and that it made fair lending decisions. Mrs A remained unhappy and brought her complaint to this service.

Our investigator reviewed matters and didn't think that Zopa had done anything wrong by providing the loans to Mrs A and that its checks were adequate with affordability established on each occasion.

Zopa didn't dispute this opinion, but Mrs A did. She didn't agree that adequate checks were carried out before the loans were provided and said that Zopa's checks failed to take her situation into account and that the loans had created significant pressure on her finances and directly contributed to financial instability.

I note that Mrs A asked our investigator to widen the scope of the investigation into three previous loans taken with Zopa. Because these were not the subject of the complaint she made to Zopa, it is not in the remit of this Service to look at the lending decisions for these additional loans within this complaint. But, like our investigator, I have taken the previous lending into account when looking at the complaint for the two loans in question.

I'd like to acknowledge that Mrs A's response to the Investigator's view was very detailed. While I won't be commenting on everything individually, I want to reassure her I've read everything and kept it in mind when reaching my decision. This isn't meant as a discourtesy, it just reflects the informal nature of our Service.

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.

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 each loan was approved, Zopa undertook credit checks and gathered information about income and outgoings, which it took into account when assessing the affordability of the loans. For both loans, Mrs A declared an income, which Zopa verified using Credit Reference Agency (CRA) data. It then looked at her other debt commitments, again using CRA data. It used Mrs A's declared figures for her housing costs, and then it estimated her other non-discretionary expenditure, based on Office for National Statistics (ONS) data.

Zopa did not ask Mrs A for bank statements, but it used the most up-to-date credit information available to it on each occasion.

### Agreement number Z99831438

When Mrs A applied for this loan, Zopa gathered information on her financial circumstances. Mrs A declared a gross annual income of £38,034 which Zopa verified against CRA data as a monthly net income of £2,463. Zopa identified a joint mortgage on Mrs A's credit report, and she declared a monthly housing cost of £600 so they used this figure in their calculations. In terms of Mrs A's existing debts, from her credit report they calculated her monthly repayments against loans and credit cards as a total of around £912. As I understand it, Zopa also used external information to understand more about Mrs A's expenditure and recorded that she would have enough disposable income to afford the repayments to the loan.

Zopa also looked at the data in Mrs A's credit report and there was no adverse information in this that should have indicated any concerns about Mrs A's financial situation. Mrs A had several previous loans with Zopa but these had been well-managed and there had been no indication that she was finding it difficult to meet the repayments.

The purpose Mrs A stated for the borrowing was debt consolidation, so it is reasonable for Zopa to have assumed that her monthly debt repayments would reduce overall following the approval of the loan.

I believe the checks Zopa carried out were proportionate, and considering the amount being provided to Mrs A, the term of the loan and the information gathered in these checks, I don't think it acted unfairly when providing Mrs A with the loan. I say this because Mrs A was consolidating her existing debt and there were no signs of financial difficulty.

### Agreement number Z36786726

When Mrs A applied for the second loan, Zopa once again gathered information on her financial circumstances. Mrs A declared a gross annual income of £39,583 which Zopa verified against CRA data as a monthly net income of £2,550. Zopa again identified a joint mortgage on Mrs A's credit report, and this time she declared a monthly housing cost of £900 so they used this figure in their calculations. In terms of Mrs A's existing debts, from

her credit report they calculated her monthly repayments against loans and credit cards as a total of around £781. As I understand it, Zopa also used external information to understand more about Mrs A's expenditure and recorded that she would have enough disposable income to afford the repayments to the loan.

Zopa also looked again at the data in Mrs A's credit report and there was no adverse information in this that should have indicated any concerns about Mrs A's financial situation. Her existing loan with Zopa was well managed and she had not given Zopa any indication that she was finding it difficult to meet the repayments on it.

I believe the checks Zopa carried out were proportionate, and considering the amount being provided to Mrs A, the term of the loan and the information gathered in these checks, I don't think it acted unfairly when providing Mrs A with the loan.

After receiving our investigator's view on both of the loans, Mrs A has provided further detail on her financial situation at the time of lending. I can see from this that the checks undertaken by Zopa did not necessarily reveal the full extent of her 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 from Mrs A at the time.

So while it'll likely come as a disappointment to Mrs A, I am not minded to uphold her complaint against Zopa for the reasons explained above.

### **My final decision**

It is my final decision that I do not uphold Mrs A's complaint against Zopa Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 13 April 2026.

Hannah Poulton  
**Ombudsman**