

## **The complaint**

Mr F complains that Zopa Bank Limited irresponsibly lent to him.

## **What happened**

Mr F applied for a Zopa credit card via a credit broker. He says he declared a total income of £33,865 (which included benefits), and he declared he had three people financially dependent on him. Zopa approved Mr F's application in March 2022, with a £1,000 credit limit. Mr F says that this was irresponsibly lent to him. Mr F made a complaint to Zopa.

Zopa did not uphold Mr F's complaint. They said that they completed a creditworthiness assessment, which used data from a number of sources, and they deemed the repayments to be affordable for him. Mr F brought his complaint to our service.

Our investigator did not uphold Mr F's complaint. She said that Zopa's checks were proportionate, and they made a fair lending decision. Mr F asked for an ombudsman to review his complaint, he said the Zopa application form asked how many financial dependents he had, and he told them it was three. So had Zopa had taken Office for National Statistics (ONS) data on general household expenditure for a family into consideration, instead of them basing this on an individual, then it would have been clear that the repayments for the Zopa card combined with general household expenditures would have made the repayments unaffordable.

## **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.

Before agreeing to approve the credit available to Mr F, Zopa needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Zopa have done and whether I'm persuaded these checks were proportionate.

The information showed that Mr F declared a gross annual income of £33,865. Although Mr F has said this would include other income such as benefits, it would be his responsibility to ensure that the information he submitted as part of his application was correct, even if he initially used a credit broker to initially enter the details. For transparency, as this complaint is about Zopa, I can only look into their actions, and not any credit broker he used here.

The CRA that Zopa used reported that Mr F had no defaulted accounts, and he had no County Court Judgements (CCJ's). The CRA reported he had no active accounts in arrears at the time of the checks. Mr F had no arrears on any active accounts in the 6 months prior to the application checks, so it didn't appear he had any recent financial difficulty.

The CRA informed Zopa that Mr F had unsecured debt of £9,715, so he would have had an unsecured active debt to declared gross annual income of around 28.7%. The credit limit Zopa was approving was for £1,000, which would have been around 3% of Mr F's declared gross annual income. Mr F was showing as being within all of his credit limits at the time of the checks.

Zopa completed an affordability assessment for Mr F. They used information that Mr F had provided, and information from a CRA about Mr F's monthly credit commitments. They also used modelling to estimate Mr F's other outgoings. It would appear that Mr F had enough disposable income to meet repayments for a £1,000 credit limit. If Mr F was struggling financially prior to his Zopa account being opened, then I would expect he may have missed payments/exceeded his credit limit, and/or opened more credit facilities recently, but the CRA did not report any new account being opened in the six months prior to the checks.

I've considered what Mr F has said regarding Zopa using ONS figures. While I acknowledge the figures Mr F have quoted for a household are legitimately from the ONS website, Zopa haven't confirmed what ONS figures they've used, and as they've explained to Mr F, they are not compelled to disclose their policies or procedures to him.

But I note from the link Mr F included on his complaint form to our service, the webpage has a release date of 31 May 2023 – over a year after this lending decision, therefore it wouldn't be viewable when Zopa completed their lending checks. And March 2022 wouldn't have been completed at the time he was approved for the Zopa credit card.

It's important to note that even for household data on the wider ONS website, there are a number of different examples given. I wouldn't expect Zopa to use the set of data which Mr F has highlighted, even if it had been released on the website prior to the lending checks. This is because Mr F has actually disclosed his housing costs. And the CRA has reported his monthly credit commitments, so using a generic data set including these figures would not be appropriate here.

Zopa are also not required to request further information such as bank statements from a potential customer for each lending decision they make. This wouldn't be proportionate. And I'm not persuaded that it would have been proportionate for this lending decision for Zopa to have made further checks here as they would have no cause for concern that the information Mr F gave them wouldn't be correct, especially as he had no recent adverse information on his credit file including current or recent arrears, and he appeared to be managing his existing debt well even if he did have three financial dependents. The amount of credit being approved was 3% of his declared gross annual income.

So I'm persuaded that Zopa's checks were proportionate here, and they made a fair lending decision to approve the £1,000 credit limit.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Zopa lent irresponsibly to Mr F 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 do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 26 February 2026.

Gregory Sloanes  
**Ombudsman**