

The complaint

Miss S complains Lendable Ltd lent to her irresponsibly.

What happened

Miss S complained Lendable shouldn't have approved the following loans:

Loan	Date	Capital	Loan fee	APR	Term	Monthly repayment
1	15 February 2024	£4,500	£240	47.05%	24 months	£273.38
2	18 January 2025	£3,000	£170	48.9%	24 months	£186

Lendable didn't agree it had lent unfairly, so Miss S brought her complaint to our service.

Our Investigator didn't think Lendable had carried out reasonable and proportionate checks for either loan. But felt that if it had, the checks likely would have shown that loan one was affordable, but not loan two.

Miss S disagreed with our Investigator, so her complaint was passed to me for a decision.

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.

Having considered everything, I'm upholding Miss S' complaint, in part. I'll set out my reasoning below

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Miss S' case.

Loan one

I've decided loan one was provided fairly because:

- I don't think the checks Lendable did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Miss S' financial situation. That's because its credit checks showed Miss S' credit utilisation was 92% and she'd opened seven accounts in the six months prior.
- If Lendable had done proportionate checks, I don't think it's likely these would have shown it was unfair to give Miss S the loan.
- I think Lendable should have done more to better understand Miss S' income and expenditure. It's said it would have reviewed her bank statements or payslips to verify things, so I've reviewed Miss S' statements for the three months prior to the lending

and seen her average monthly income was around £1,940. Her average monthly essential expenditure and repayments towards existing credit commitments was just over £1,300. This means her monthly disposable income, after repayments for this loan, would have been just under £350. Given Miss S declared the purpose of the loan was for debt consolidation, Lendable could have reasonably concluded her disposable income would be higher than this once some of her debts had been reduced or cleared.

- I have seen the transactions Miss S referenced that were predominantly towards a competitions site, in January 2024, on her statements. However, she appeared to be funding this from her disposable income, so I don't think that would have been enough to prevent Lendable from approving her borrowing when considered alongside my points above.
- Based on the information Miss S provided about her circumstances at the time, there was nothing to suggest Miss S was likely to be unable to sustainably repay what she was being lent.
- I don't think Lendable acted unfairly in any other way.

This means I don't think Lendable did anything wrong when it approved loan one for Miss S.

Loan two

I've decided loan two wasn't provided fairly because:

- I think the checks Lendable did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Miss S' financial situation.
- Based on the information Lendable gathered and what it knew about Miss S' circumstances, I think it should have realised Miss S was likely to be unable to sustainably repay what she was being lent.
- The information showed that despite Miss S saying her previous loan was to consolidate debt, she was now utilising 95% of her credit limits. She had also opened 27 accounts in the six months prior to this January 2025 loan application. I consider this indicated Miss S was reliant or becoming reliant on credit. In turn, providing her with further borrowing was likely to cause her harm.

This means I don't think Lendable should have given Miss S loan two.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I'm awarding in this case, as set out below, results in fair compensation for Miss S in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

As I don't think Lendable ought to have given Miss S the January 2025 loan (loan two), I don't think it's fair for it to be able to charge any interest or charges under the credit agreement. But I think Miss S should pay back the amount she borrowed. Therefore, Lendable should:

Add up the total repayments Miss S has made and deduct these from the total amount of money Miss S received.

a) If this results in Miss S having paid more than she received, any overpayments should be refunded along with 8% simple interest per year (calculated from the date the overpayments were made until the date of settlement). † Lendable should also remove all adverse information regarding this account from Miss S' credit file.

b) If any capital balance remains outstanding, then Lendable should arrange an affordable and suitable payment plan with Miss S. Once Miss S has cleared the balance, any adverse information in relation to the account should be removed from her credit file.

† HM Revenue & Customs requires Lendable to take off tax from this interest. Lendable must give Miss S a certificate showing how much tax it's taken off if she asks for one.

My final decision

My final decision is that I'm upholding this complaint and Lendable Ltd must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 15 January 2026.

Sarah Turay
Ombudsman