

## **Complaint**

Mr D complains that Lendable Ltd (“Lendable”) irresponsibly lent to him.

## **Background**

Lendable provided Mr D with a loan for £6,100.00 in October 2021. This loan was due to be repaid in 17 monthly instalments of £399.75 and a final instalment of £392.49.

One of our investigators reviewed what Mr D and Lendable had told us. And she thought that Lendable hadn’t done anything wrong or treated Mr D unfairly. So she didn’t recommend that Mr D’s complaint be upheld.

Mr D disagreed and asked for an ombudsman to look at his complaint.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Mr D’s complaint.

Having carefully considered everything provided, I’ve not been persuaded to uphold Mr D’s complaint. I’ll explain why in a little more detail.

Lendable needed to make sure that it didn’t lend irresponsibly. In practice, what this means is Lendable needed to carry out proportionate checks to be able to understand whether Mr D could afford to repay before providing this loan.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Lendable provided Mr D with a loan for £6,100.00 in March 2025. This loan was due to be repaid in 18 instalments of around £400. Lendable says it agreed to Mr D’s application after he provided details of his monthly income and some information on his expenditure.

It says it cross-checked this against information on a credit search it carried out, which also considered the amount Mr D declared for his monthly income against the amount of funds going into his main bank account each month. And, in its view, all of this information showed Mr D could comfortably afford to make the repayments he was committing to.

On the other hand, Mr D has said that he shouldn't have been lent to as he was not working at the time of the application.

I've carefully thought about what Mr D and Lendable have said.

The first thing for me to say is that Lendable has provided a record of the results of its credit searches. Lendable searches appear to show that Mr D didn't have any significant adverse information – such as defaulted accounts or county court judgments - recorded against him. Equally, while the credit searches did show that Mr D had some existing debts, the intention was for Mr D to clear some of his existing commitments with the proceeds of this loan.

Mr D would have been in a better position had he used this loan to consolidate his existing debts in the way he said he was going to. So I'm satisfied that it was reasonably entitled to believe that it wouldn't be increasing Mr D's existing indebtedness in a way that was unsustainable or otherwise harmful.

It's also worth pointing out that the information Lendable obtained does appear to show that he did have the funds, at the time at least, to sustainably make the repayments due under this agreement. Equally, Mr D would have even more left over provided he consolidated his debts in the way that he said he would.

It is possible that Mr D may not have cleared his existing balances with this loan, or ended up re-establishing balances on some of his credit accounts. But Lendable can't know that this would have happened. Ultimately, Lendable needed to make a reasonable decision based on the information it had available at the time.

In my view, all Lendable could do was take reasonable steps to ensure the payments would be affordable for Mr D. And as Mr D didn't have a history of failing to consolidate debts as he said he would here, I think Lendable was reasonably entitled to believe the funds would be used for the stated purpose.

I accept that Mr D's actual circumstances may not have been fully reflected either in the information he provided, or the information Lendable obtained. I know Mr D says that his earnings were less than what Lendable believed as he provided his gross income. However, I don't think that Lendable knew this.

Furthermore, even when allowing for reasonable deductions the loan payments still appear affordable. Equally, while Mr D did end up in a repayment arrangement with HMRC to repay it, I don't think that Lendable could reasonably be expected to know that this would happen or have factored this into account.

Ultimately, Lendable wasn't in a position to be able to assess Mr D's tax liabilities. As this is the case and while I sympathise with the effect that this had on Mr D's ability to make his repayments, I don't think that Lendable unfairly lent to Mr D.

In reaching this conclusion I've also considered whether the lending relationship between Lendable and Mr D might have been unfair to Mr D under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think Lendable irresponsibly lent to Mr D or otherwise treated him unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here. So I'm not upholding this complaint.

I appreciate this will be very disappointing for Mr D. But I hope that Mr D will understand the reasons for my final decision and that he'll at least feel his concerns have been listened to.

**My final decision**

For the reasons I've explained, I'm not upholding Mr D's complaint.

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

Jeshen Narayanan  
**Ombudsman**