

The complaint

Ms C complains that Lendable Ltd trading as Zable irresponsibly lent to her.

What happened

Ms C was approved for a Zable credit card in September 2022, with a £500 credit limit. Ms C says that Zable irresponsibly lent to her, and she made a complaint to Zable, who did not uphold her complaint. Zable said that they were satisfied the credit limit was appropriate and proportionate at the time. Ms C brought her complaint to our service.

Our investigator did not uphold Ms C's complaint. She said that Zable's checks were proportionate, and they didn't make an unfair lending decision. Ms C asked for an ombudsman to review her complaint. In summary, she said she was using 99% of her overdraft most of the time, she depended on credit for day to day living, she had no disposable income for emergencies, she later needed breathing space multiple times, and ultimately, she had no choice but to enter a Debt Management Plan (DMP).

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 Ms C, Zable needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. 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 Zable have done and whether I'm persuaded these checks were proportionate.

Zable said they looked at information provided by Credit Reference Agencies (CRA's) and information that Ms C had provided before approving her application. The information shows that Ms C had declared a net monthly income of £2,017. Zable completed a further check with a CRA, who verified this income. Her active unsecured debt at the time was around £15,000.

The CRA that Zable used showed that Ms C had not defaulted on credit agreements in the past. The CRA did not report that any of Ms C's active accounts were in arrears at the time of the checks. Zable were aware of Ms C's active accounts including her personal loans, credit/store cards and how much she was repaying each month.

I've considered what Ms C has said about her being in her overdraft 99% of the time. But while the CRA reported that Ms C had a £1,450 overdraft limit, there was no overdraft balance showing on the checks. So I can't fairly say that Zable would have been aware of Ms C being overdrawn. It could be that the CRA reported Ms C's balance when (or if) she was in credit each month, as opposed to when she was overdrawn, but I can't hold Zable responsible for the information the CRA reported to them, as it would be proportionate for

them to act upon this in good faith.

I've also considered what Ms C has said about using her credit for day to day living. While Zable could see Ms C's outstanding balances for her other active debt, they could not see how she used her accounts, and her full credit file wouldn't show her full transactions, so there would be no reason why Zable ought to request full statements of her other accounts as this wouldn't be proportionate. I say this as Ms C had no arrears on her active accounts for the previous 12 months, and she was not over any of her credit limits. She also did not appear to open any new lending facilities in the three months prior to her application.

Zable completed a limited affordability assessment using Ms C's monthly housing expenditure she declared, and they deducted this from the net monthly income, and they also deducted Ms C's monthly credit commitments. The affordability assessment showed that Ms C would have well over half of her net income available to pay for her living expenses and the new Zable repayments. In addition to this, one of the loans had a balance of £176, and a monthly repayment of £176, so after the next payment, it would appear this loan would end, and therefore it could suggest Ms C had another £176 a month disposable income. So it wouldn't appear that Ms C didn't have disposable income for emergencies.

There is no requirement for Zable to request evidence such as bank statements for each lending decision they make, as this wouldn't be proportionate. The credit limit was £500 which would have been less than 2% of her declared net monthly income if this was multiplied by 12 to get a net annual income. So based on their being no recent adverse information on Ms C's credit file, Zable being aware of how much she was spending on her credit commitments each month, and the affordability assessment they completed, I'm not persuaded that it would have been proportionate for Zable to request Ms C's bank statements.

So I'm persuaded that Zable's checks were proportionate here, and they made a fair lending decision to approve the account with a £500 credit limit.

I'm sorry to hear that Ms C had to have later multiple breathing spaces and enter a DMP. I can only imagine the impact this must have had on her. Whilst I can empathise with the position that Ms C subsequently found herself in, I can't fairly say that there were indicators of financial difficulty from the checks Zable completed, so I can't fairly say that her subsequent financial difficulties would or should have been foreseeable to Zable.

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 Zable lent irresponsibly to Ms C or otherwise treated her 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 Ms C to accept or reject my decision before 10 March 2026.

Gregory Sloanes
Ombudsman