

The complaint

Miss M complains that Lendable Ltd trading as Zable lent irresponsibly when it approved her credit card application and later increased the limit.

What happened

Miss M applied for a Zable credit card in March 2024. In her application, Miss M gave a net monthly income figure of £1,896 that Zable was able to verify via a service provided by the credit reference agencies known as CATO. Zable completed a credit search and found Miss M had a joint mortgage with monthly repayments of £518. Zable used a monthly repayment figure of £259 (half the joint mortgage payment) when completing its affordability assessment. Other unsecured debts were also noted with monthly repayments totalling around £379. No adverse credit like County Court Judgements were noted on Miss M's credit file although a default with a budget account was shown. Miss M's other debts were all up to date with no recent missed payments recorded.

Zable applied its lending criteria and says Miss M had around £1,260 remaining after covering her mortgage and unsecured debts each month. Zable approved Miss M's application and issued a credit card with a limit of £200.

Miss M used her credit card and Zable went on to increase the limit to £500 in December 2024 and £1,000 in June 2025.

More recently, Miss M complained that Zable lent irresponsibly and it issued a final response. Zable said it had carried out the relevant lending checks before approving Miss M's application and increasing the limit and didn't agree it lent irresponsibly.

An investigator at this service looked at Miss M's complaint. They thought Zable had completed reasonable and proportionate checks before approving Miss M's application and the credit limit increases. The investigator wasn't persuaded Zable lent irresponsibly based on the information it obtained. Miss M asked to appeal, so her complaint has been passed to me to make 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.

Before agreeing to lend or increasing the credit limit, the rules say Zable had to complete reasonable and proportionate checks to ensure Miss M could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;

- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I've set out the information that Zable used when considering Miss M's application above. I can see Miss M gave her net monthly income and that figure was verified via CATO as accurate. Miss M's existing debts were all noted and taken into account. Miss M's open accounts were all up to date with no evidence of recent missed payments or financial difficulties. I'm satisfied Zable took the information it found on Miss M's credit file into account when considering whether to approve her application.

I think it's reasonable to note the initial credit limit of £200 was low which meant the risk of causing financial harm to Miss M was reduced. After taking Miss M's mortgage and existing debts into account, Zable calculated she had around £1,260 remaining to cover her general living expenses and any other spending. I'm satisfied that £1,260 a month would've been sufficient for Miss M to sustainably cover her remaining outgoings along with a new Zable credit card with a limit of £200. In my view, Zable completed reasonable and proportionate checks when looking at Miss M's credit card application. And I'm satisfied the information Zable obtained indicated Miss M was able to sustainably afford a new credit card with a £200 limit. Overall, I haven't been persuaded Zable lent irresponsibly when it approved Miss M's application.

Before approving the credit limit increase to £500 in December 2024 Zable completed a similar set of lending checks. Zable used CATO to get an income figure for Miss M. CATO returned a net monthly income figure of £3,714 that Zable used in its lending assessment. In response to the investigator, Miss M said she wasn't earning at that level. But I think it's reasonable to note that CATO had previously verified Miss M's income when her application was made. So I think it was reasonable for Zable to rely on the CATO results it obtained when increasing the limit. I haven't seen information that persuades me it wasn't reasonable for Zable to use CATO when trying to verify Miss M's income level.

A new credit search found Miss M was making monthly repayments of around £500 towards her other debts along with her mortgage which was up to date. No new adverse credit or missed payments were noted on Miss M's credit file. And Zable's made the point that all Miss M's credit card payments had been made.

After deducting Miss M's mortgage and unsecured debt repayments from her income, Zable says Miss M had around £2,700 remaining to cover her general living expenses along with any other spending. That figure assumes Miss M was making the mortgage payment in full each month. In my view, the information Zable obtained indicated Miss M was able to sustainably afford a credit limit increase of £300 taking it to £500 in December 2024. Overall, I'm satisfied Zable completed proportionate checks and that its decision to approve the credit limit increase to £500 was reasonable based on the information it obtained. I haven't been persuaded Zable lent irresponsibly when it increased Miss M's credit limit to £500.

The second credit limit increase was approved in June 2025 taking it to £1,000. Again, Miss M's account history was checked along with her credit file. No new arrears or adverse information was noted. Miss M's debts and mortgage were noted with monthly repayments taken into account when completing the lending assessment.

CATO was again used to get a picture of Miss M's income and returned a figure of £3,753 a month – broadly in line with the information it obtained in December 2024. After taking Miss M's existing debts and mortgage into account, Zable says she had around £2,600 remaining to cover her general living expenses and other outgoings.

Looking at the information Zable obtained, I haven't seen anything that indicates Miss M was experiencing financial difficulties or unable to sustainably afford an increase to the Zable credit limit of £500 taking it to £1,000. In my opinion, the checks completed by Zable were proportionate to the amount and type of credit it went on to approve. And I'm satisfied the decision to increase Miss M's credit limit to £1,000 was reasonable based on the information Zopa obtained. I'm sorry to disappoint Miss M but I haven't been persuaded Zable lent irresponsibly when it increased her credit limit to £1,000 in June 2025.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Zable lent irresponsibly to Miss M or otherwise treated her unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

My decision is that I don't uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 12 February 2026.

Marco Manente
Ombudsman