

The complaint

Mr G complains Everyday Lending Limited trading as Evlo (Evlo) acted irresponsibly when it approved a consolidation loan for him.

What happened

Mr G says in July 2023 Evlo approved a loan for £10,000 specifically intended to clear certain external debts. Mr G says at that time he was heavily indebted using credit cards to their full extent and only paying the minimum payments. Mr G says Evlo's assessment of affordability of the new loan left him with only £112 per month after all costs, which wasn't sufficient for him to live on or meet any unforeseen costs.

Mr G says he has since reused the credit cards that were cleared, indicating his reliance on external debt to meet his day to day living expenses. Mr G wants Evlo to refund all the interest and charges and remove any adverse entries on his credit file relating to the loan.

Evlo says before it approved the loan it carried out a comprehensive affordability assessment using data from external credit sources, credit reference agencies (CRA's), information provided by Mr G in his application, banks statements and detailed information obtained in a lengthy credit assessment interview with him.

Evlo says it identified that Mr G had no adverse credit history such as CCJ's or defaults and after consolidating his debts he had a net disposable income of around £112 per month, but there was an additional buffer of around £40 per month it had taken into account. Evlo says it directly paid the credit card accounts and one other small debt from the loan funds to clear those borrowings. Evlo says it carried out reasonable and proportionate checks before it approved the loan and it was satisfied the loan was affordable at the time.

Mr G wasn't happy with Evlo's response and referred the matter to this office.

The investigator looked at all the available information but didn't uphold the complaint. The investigator pointed out there are no set list of checks lenders like Evlo must carry out, but these should be customer focused. The investigator felt Evlo had carried out a thorough affordability assessment at the time of the application, which included several phone calls with Mr G, access to his bank statements and the use of industry accepted external credit sources. The investigator says the checks Evlo carried out showed there were no obvious signs of financial difficulties.

The investigator felt that from the information he had seen, the loan was affordable and the new loan would mean Mr G's indebtedness would be reduced much sooner than if he had maintained his existing credit card debts.

The investigator explained after allowing for the Evlo's built in buffer, Mr G's true net disposable income (NDI) was around £152 per month for any emergency or unexpected spending, which he felt was sufficient here. The investigator felt Evlo hadn't acted unfairly when it approved the loan.

Mr G didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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 done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I was sorry to hear that Mr G is experiencing financial difficulties and that must be a source of worry for him. When looking at this complaint I will consider if Evlo acted unfairly when it approved a consolidation loan of £10,000 for Mr G in July 2023.

Mr G's complaint centres around his view that Evlo shouldn't have approved a consolidation loan for him in July 2023, as it hasn't improved his financial situation and has made matters worse for him. Mr G feels the amount of NDI available to him after the consolidation loan exercise left him with £112 per month for non-essentials and that wasn't a realistic sum.

Mr G says he has since reused the credit cards that were intended to be cleared, proving he was financially reliant on external debt and perhaps a mechanism should have been in place by Evlo to close those accounts at the time the loan was approved.

While I understand the points Mr G makes here I'm not fully persuaded by his argument and I will go on to explain why.

As the investigator has pointed out there are no set list of checks lenders like Evlo must carry out before approving credit facilities, but these should be borrower focused taking into account the amount, type, term and cost of any borrowing. I should say here it's not for me to tell Evlo what those checks must consist of, or from what sources those checks should come from.

That said, before Evlo approved the consolidation loan, alongside using industry standard external sources, CRA's and information declared in Mr G's application it also carried out a phone based interviews with Mr G going into forensic levels of expenditure- including such costs as hairdressing, socialising and eyecare for example and questioning any costs that were unclear. So it's reasonable to say Evlo gathered a comprehensive understanding of Mr G's income and expenditure at the time, which I'm satisfied was reasonable and proportionate, taking into account the purpose of the loan.

From the information I have seen from Mr G's credit assessment, there were no obvious signs of financial stress and his external debts had been managed reasonably well. Evlo's affordability assessment showed after all costs Mr G would have around £152 per month available to meet emergencies /unforeseen costs after allowing for a buffer built into its calculations. Given the thorough nature of Evlo's affordability modelling, I'm satisfied that was a reasonably sustainable amount left for that purpose.

What is important here is the loan was specifically designed to clear various identified credit card borrowing and one other small debt, which Evlo cleared directly with the loan monies. While each month there wasn't a net saving, what it did mean was those debts would clear considerably sooner than if simply left with only making the minimum monthly payments.

So with that in mind, I can't agree that Mr G's financial situation wasn't improved by the loan being granted. The fact Mr G decided to use those credit card accounts again was a

decision he took after agreeing the purpose of the loan was to clear that borrowing – so I can't hold Evlo responsible for the fact those credit cards weren't closed.

I've also considered whether Evlo acted unfairly or unreasonably in some other way given what Mr G has complained about, including whether its relationship with him might have been unfair under s.140A Consumer Credit Act 1974. However, for the same reasons I have set out above, I've not seen anything that makes me think this was likely to have been the case.

While Mr G will be disappointed with my decision, I won't be asking anymore of Evlo.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 March 2026.

Barry White
Ombudsman