

The complaint

Zopa Bank Limited provided Mr H with a £6,000 loan in September 2023 and a £5,000 loan in March 2025. Mr H says the loans were provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

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 Mr H's case.

I've decided the loans were provided fairly because:

- I don't think the checks Zopa Bank did before providing the September 2023 loan were reasonable and proportionate given the amount of the loan and what it knew about Mr H's financial situation.
- If Zopa Bank had done proportionate checks, I don't think it's likely these would have shown it was unfair to provide the September 2023 loan to Mr H as an analysis of Mr H's bank statements for June to August 2023, the three months before the loan was made to him, shows that he had an average disposable income of £170.41 each month, and as that loan was for debt consolidation, I consider that it would have been reasonable for Zopa Bank to have expected his monthly payments for his existing credit to have reduced, which would have increased his disposable income.
- Mr H has provided his own income and expenditure analysis which includes comments about the affordability of the September 2023 loan, but I consider that his bank statements show that the September 2023 loan was sustainably affordable for him at that time.
- I think the checks Zopa Bank did before providing the March 2025 loan were reasonable and proportionate given the amount of the loan and what it knew about Mr H's financial situation.
- Mr H had declared that he was employed with an annual income of £65,000, which it verified and from which it calculated his net monthly income to be £3,841.17, and that he was paying £350 each month in rent.
- Zopa Bank searched Mr H's credit file, which showed that he had unsecured debts of £31,337 and it completed an affordability assessment which showed that he had a monthly disposable income of £554.72, and as that loan was also for debt consolidation, I consider that it would have been reasonable for Zopa Bank to have expected his monthly payments for his existing credit to have reduced, which would have increased his disposable income.

- Mr H has also provided his own income and expenditure analysis which includes comments about the affordability of the March 2025 loan, but I consider that it was fair and reasonable for Zopa Bank to make its lending decision on the basis of the information that Mr H had declared and the information that it had obtained from the reasonable and proportionate checks that it had made and which showed that the March 2025 loan was sustainably affordable for him.
- Based on the information Mr H has provided about his circumstances at the times the loans were made to him, there was nothing to suggest Mr H was likely to be unable to sustainably repay what he was being lent.
- I don't think Zopa Bank acted unfairly in any other way.

This means I don't think Zopa Bank did anything wrong when it provided the loans to Mr H. I've also considered 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 Zopa Bank lent irresponsibly to Mr H or otherwise treated him 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.

I know this isn't the outcome Mr H hoped for. But for the reasons above, I'm not asking Zopa Bank to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr H's complaint about Zopa Bank.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 May 2026.

Jarrold Hastings
Ombudsman