

The complaint

Ms R complains that Zopa Bank Limited (“Zopa”) provided credit to her irresponsibly and that the credit was unaffordable.

What happened

Ms R received a credit card from Zopa in January 2022. It had an initial credit limit of £500 with a 34.7% APR. The credit limit was not increased. The account was sold to a third party in December 2024.

In addition to the card, Zopa granted a loan to Ms R in May 2021. The loan is the subject-matter of a separate case with this service. The same applies to what Ms R has said about damage to her credit file. This decision will focus only on the provision of the card.

In October 2025 Ms R complained to Zopa. She said that it was irresponsible of them to provide her with the card because of her financial circumstances, and the credit was unaffordable for her.

Zopa looked into the complaint and issued a final response letter. Zopa thought they had carried out reasonable and proportionate checks into Ms R’s circumstances and said that the credit was appropriate and affordable. They didn’t uphold the complaint.

Ms R didn’t accept Zopa’s response and therefore referred her complaint to our service. One of our Investigators looked into it. She felt that Zopa had carried out reasonable and proportionate checks. Overall, she thought Zopa had reached a fair decision to provide the credit to Ms R. She didn’t recommend that her complaint be upheld.

Zopa didn’t dispute this position but Ms R did and asked for an Ombudsman’s decision. She said that Zopa did not carry out sufficient checks as they had not sought further information about her income and expenditure through obtaining bank statements. If they had done so, they would have seen that she already had large amounts of outstanding debt and was unable to afford the credit.

Ms R also provided detailed information about other complaints she has made to this service regarding other lenders; and referred to her health issues, stress, and her financial circumstances.

As an agreement couldn’t be reached, the complaint has been passed to me to decide.

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.

Our approach to complaints about the irresponsible and unaffordable provision of credit is set out in detail on our website. I've used this approach to help me decide Ms R's complaint. For example, I've considered the rules and guidance on responsible credit provision relevant to the time of the decision to provide credit set out in the Financial Conduct Authority's ("FCA") Consumer Credit Sourcebook ("CONC").

In summary, Zopa needed to carry out reasonable and proportionate checks before providing credit to Ms R to ensure they did not do so irresponsibly.

There is no set list of the checks Zopa had to do. What constitutes a proportionate affordability check will depend upon a number of factors including, but not limited to, the amount, type and cost of the credit Ms R was seeking as well as her overall financial circumstances. I've kept all of this in mind when considering whether Zopa did what was required before providing the credit to Ms R.

Zopa state that they conduct creditworthiness assessments prior to each decision to provide credit. They rely on a combination of credit reference agency ("CRA") data regarding income, other debt, and existing credit repayment commitments; information provided by the customer for example income; and statistical information from the Office for National Statistics ("ONS").

The applicable rules and guidance do not require a lender to see full evidence of expenditure in every case. Instead the lender has discretion about how they conduct checks to satisfy themselves that lending is affordable to applicants. This includes the consideration of statistical data where it is reasonable and proportionate to do so. I think that was the case here when the card was issued.

When Ms R applied for the card, Zopa relied upon a declared annual gross income of £43,000. This was validated by CRA data. Ms R further declared that she was working full time with a monthly rent of £575. Zopa assessed her monthly disposable income to be £2,742.

They went on to assess her monthly expenditure based on statistical information from the ONS and information provided by Ms R. Zopa's estimate of her non-discretionary expenditure was statistical. In addition to the declared housing cost of £575, there were existing credit commitments of £1,037.05 and an estimated expenditure of £620. Overall Ms R's net monthly disposable income was assessed at £509.95 which Zopa thought was sufficient to meet the level of credit provided and to leave her with an ample amount for day-to-day expenditure.

Zopa also examined Ms R's existing credit commitments. Her credit file showed existing unsecured debts totalling some £19,400. The credit search showed no defaults and no County Court Judgments ("CCJs") or bankruptcy. There was no adverse credit information. Overall, Zopa's checks showed that Ms R's existing credit was well maintained and was being serviced without any recorded issues; and there was nothing to suggest that she wouldn't be able to maintain payments on the card in a sustainable way.

In all the circumstances, I think that the checks carried out by Zopa to establish disposable income before issuing the card were reasonable and proportionate. I do not think that Zopa should have obtained further information about Ms R's income and expenditure through obtaining bank statements as she has suggested they should have done.

It appeared that Ms R had sufficient disposable income to meet the product repayment costs and so the credit was likely to be affordable for her. I further think Zopa reached a fair decision before issuing the card to Ms R.

I've considered the additional points raised by Ms R, being the other complaints she has made to this service regarding other lenders; and her health issues, stress, and her financial circumstances.

Each complaint is dealt with based on its own circumstances. I haven't therefore looked at any other of Ms R's complaints.

I am grateful to Ms R for having drawn her health issues, stress, and her financial circumstances to our attention. However I don't think Zopa should reasonably have been aware of them when they issued the card.

I've also considered whether the relationship between Ms R and Zopa might have been unfair to Ms R under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already given, I don't think Zopa were irresponsible when they provided the card to Ms R. Nor do I think they otherwise treated her unfairly in relation to this matter. Overall I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here so far as Zopa is concerned.

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 Ms R to accept or reject my decision before 9 April 2026.

Richard Ellison
Ombudsman