

The complaint

Miss Q complains that Lendable Ltd lent to her irresponsibly when it approved a fixed-sum loan in May 2022. She says the loan was unaffordable and contributed to further borrowing and payment arrangements. She would like a refund of all interest and charges together with interest and the removal of adverse information about the loan from her credit file.

What happened

On 6 May 2022 Lendable approved a fixed-sum loan for an eighteen-month term. Lendable's records show a total amount including fees of £3,660 at 39.3% APR. The account was settled on 28 January 2025.

When Miss Q complained in March 2025 she said her pay at the time was term-time only and stopped in school holidays, so her income was uneven and below £1,065 a month. She said she was paying only the minimum on a card, had payment plans, and her overall debt had risen since 2021. She said Lendable should have seen this from the checks it carried out, including its open-banking access. She asked for all interest and charges back, with 8% simple interest per year, and for negative markers about the loan to be removed from her credit file.

Lendable did not uphold the complaint. It said it made proportionate checks before lending. It told us the credit file at the time showed about ten active accounts, total balances around £3,782, all up to date, with no defaults, no county court judgments and no recent arrears. It recorded employment as full-time, a weekly income declaration of £245.77, and said its income check confirmed at least £1,065 a month net income. Lendable recorded the loan purpose as debt consolidation. Later, when Miss Q reported a change in her situation, Lendable applied forbearance and agreed a plan until the loan was settled.

Our investigator gave an initial view that the checks were proportionate and that the information at the time did not show clear signs of financial difficulty. They said the decision to lend was fair and that no further action was needed.

Miss Q disagreed with that view. She said her payslip and bank statements would show term-time pay and no pay during holidays and that Lendable should have spotted the risk. She asked for an Ombudsman's 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.

I want to acknowledge what Miss Q has said about her situation. Irregular income and ongoing financial commitments can place pressure on a household budget and I do not underestimate how unwelcome and difficult this will have felt to her.

When looking at unaffordable or irresponsible lending complaints I consider whether the lender completed borrower-focused and proportionate checks to satisfy itself the customer could repay sustainably, and then whether what those checks showed meant it was fair to lend at the time. What is proportionate depends on the amount and cost of the credit, the term, and anything in the information gathered that points to heightened risk, such as recent arrears, defaults, rapidly escalating indebtedness or other signs of financial difficulty.

On the facts here I am satisfied Lendable obtained the application information, checked Miss Q's credit file, verified income using an external tool to a minimum of £1,065 net per month, and connected to her online banking as part of the application. The credit file showed orderly conduct with no recent arrears, defaults or county court judgments and about ten active accounts with a combined balance in the region of £3,782. For a single mid-sized fixed-term loan repayable over eighteen months, and in the absence of warning signs within those checks, I consider it proportionate to rely on credit-reference and open-banking verification without insisting on bank statements or payslips at the application stage. On the file I have, the checks did not reveal concerns that would have required Lendable to make deeper enquiries before deciding whether to lend.

I then considered whether what those checks showed ought to have led Lendable to refuse the application. In my judgment they did not. The information available at the time indicated a verified net income of at least £1,065 per month, with the credit file showing no recent adverse information and the level of existing debt around £3,782, which is modest when considered against the verified income. Lendable also took account of the stated purpose of consolidation and estimated a monthly saving if the funds were applied as intended, which tends to support rather than undermine the assessment that the repayments could be met.

I have thought carefully about Miss Q's explanation and payslip showing that her income was term-time only and that there was no pay during holidays. I recognise that a fluctuating income makes budgeting more difficult. But the question I have to decide is whether proportionate checks at the time of the application would more likely than not have shown that Miss Q could not meet the repayments sustainably.

Given the verified income inflows, the absence of adverse credit indicators and the orderly conduct recorded at the time, I am not persuaded the lender should have concluded that the loan would be unsustainable when it was approved.

I have also considered what Miss Q said about making minimum payments and being in payment arrangements. Paying only the minimum on a card can sometimes indicate strain, but where the wider credit profile shows timely payments and no arrears it is not, by itself, evidence of distress. Although Miss Q has told us payment arrangements existed, I have not seen evidence showing that Lendable knew, or reasonably should have known, about such arrangements at the time of the application. If arrangements were entered into later, that does not change what was fairly knowable at approval. The later need for forbearance was met by Lendable's payment-support team, and a plan was agreed; that was an appropriate response to a change in circumstances, but it does not in itself show the original lending decision was unfair when it was made.

In reaching my conclusions, I've also considered whether the lending relationship between Lendable and Miss Q might have been unfair to Miss Q under section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've explained, I don't think Lendable irresponsibly lent to Miss Q or otherwise treated her unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons I have explained, I do not uphold Miss Q's complaint about Lendable Ltd.

Because I am not upholding the complaint, I am not directing Lendable to refund interest or charges, pay statutory interest, or remove information from Miss Q's credit file beyond what would ordinarily be recorded in line with how the account was conducted and any forbearance already applied.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Q to accept or reject my decision before 20 February 2026.

Marco Neves Da Silva
Ombudsman