

The complaint

Mrs R complains that Lendable Ltd (“Lendable”) irresponsibly lent to her.

What happened

In July 2023 Mrs R applied for a debt consolidation loan with Lendable. The application was approved, and she was provided with a loan for £8,000 to be repaid over 60 months with a monthly repayment amount of £261.69.

Mrs R complained to Lendable in March 2025. She said they never should have given her the loan and her credit file at the time showed she already had other credit commitments. Mrs R said since being given the loan, it’s been sold to a debt recovery agency resulting in a default, demonstrating she couldn’t afford it.

Lendable responded to her complaint in the same month. They said they completed checks which included looking at her credit file, the history of how she managed credit, active and closed accounts as well as balances and repayment histories of those accounts. They said Mrs R had around £25,000 in debt at the time, and had consistently made timely payments. They said overall, there were no significant signs that Mrs R wouldn’t be able to repay the loan and they believe a fair decision to lend was made.

The complaint was referred to our Service in April 2025 because Mrs R didn’t agree. An Investigator here looked into her complaint. They found the checks were proportionate, but Lendable shouldn’t have lent. They said they accept Mrs R’s credit file was good, but she had a significant amount of debt and felt a new loan would be unaffordable.

Mrs R accepted the findings, but Lendable didn’t. They said the information available to them on her credit file clearly shows that a consolidation loan would be beneficial for her, and when they looked again at her file three months later, it appears the loan was used as intended and the balances were reduced.

The Investigator then issued a second view on the complaint, in summary, reiterating what they’d said in the first. Lendable disagreed. I previously issued a provisional decision which said the following:

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’ve reached a different outcome to the Investigator. I know this is likely to disappoint Mrs R, but I’ll explain my reasoning below.

The rules and regulations in place at the time Lendable provided Mrs R with the loan required them to carry out a reasonable and proportionate assessment of whether she could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an ‘affordability assessment’ or ‘affordability check’.

The checks had to be ‘borrower’ focused. This means Lendable had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mrs R. In other words, it wasn’t enough for Lendable to consider the likelihood of them getting the funds back or whether Mrs R’s circumstances met their lending criteria – they had to consider if Mrs R could sustainably repay the lending being provided to her.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Lendable did what was needed before lending to Mrs R.

When completing affordability checks, Lendable obtained a copy of Mrs R's credit report, accessed her open banking and used the information Mrs R declared at the time of application. They found that Mrs R's credit was all up to date and well managed, she had around £12,000 in revolving credit and around £5,000 in loans. Mrs R wasn't utilising her full available credit limits, there were no missed or late payments in recent months and she had no defaults or County Court Judgements.

Reviewing open banking statements can be more challenging because it doesn't paint a full picture of someone's income and expenditure, but having looked at it there's nothing present that ought to have been of concern to Lendable, such as bounced direct debits, gambling or payday lending. They could also see that Mrs R was earning around £2,600 per month.

The Investigator has placed significant weight on an overdraft being present as to why this loan wasn't affordable, and I can't agree this is correct. This is because an overdraft has no agreed end date and doesn't require any agreed monthly payment. Someone utilising an overdraft under the terms that were agreed to isn't an indicator of financial difficulty.

I've also considered what they said about the loan being for debt consolidation. And again, I'm unable to agree with that either. Having looked at Mrs R's credit file and open banking transactions, it's clear she was paying significantly more than £260 per month towards her revolving creditors. Given that she had around £11,000 in revolving credit, and this loan was for £8,000, she would be able to consolidate a large majority of what she owed using the Lendable loan, therefore reducing her monthly commitments.

So, having considered all of the above, I'm not currently minded to uphold Mrs R's complaint against Lendable. Based on what I've seen so far, I'm satisfied they completed proportionate checks and a fair lending decision was made. I note what Mrs R and the Investigator has said regarding her entering a repayment plan shortly after, but this information wasn't available to Lendable at the time, in the same that Lendable have highlighted Mrs R's revolving debt reduced from £11,000 to around £4,000 after the loan.

In reaching my conclusions, I've also considered whether the lending relationship between Lendable and Mrs R might have been unfair to Mrs R under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Lendable did not lend irresponsibly when providing Mrs R with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Mrs R, I'm not intending to uphold her complaint against Lendable for the reasons explained above.

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.

Lendable responded to the provisional decision letting us know they accept what was said. Mrs R also responded, disagreeing.

I'd like to reassure Mrs R that although I'm not addressing each of her points in detail, I've seen everything she's said and have kept it in mind when reaching my final decision.

In summary, Mrs R said the fact that she fell into difficulty shortly after the loan was provided proves it wasn't suitable from the outset, she had a high level of existing debt at the time of lending, she feels there wasn't enough in place to ensure that consolidation was a suitable route for her that would better her position and that her overdraft usage is a relevant consideration. Mrs R feels that the Investigator's findings better align with the FCA's guidelines. She also said she was jointly responsible for a mortgage and a second charge loan.

In my provisional decision, I can't rely on hindsight to determine whether or not the decision to lend at the time was fair or not. The evidence Lendable had available showed Mrs R's revolving debt reduced by more than 50% after the loan, so even if I could, the evidence available doesn't show the loan wasn't suitable at the time. I'm sorry Mrs R fell into further difficulty afterwards, and I'm not disputing her position was worse than it appeared, but I have to rely on what Lendable had available at the time.

Having a high level of debt alone isn't enough to suggest that someone was in financial difficulties and it isn't enough for Lendable to reject a lending application, particularly when the lending being applied for was listed as being for consolidation. The FCA's Consumer Credit Sourcebook (CONC) lists a number of potential indicators of financial difficulties in CONC 1.3 – none of which were present on the information Lendable obtained from the CRA's at the time Mrs R applied for the credit.

Regarding the consolidation element, it's not Lendable's responsibility to ensure revolving facilities are closed after they're paid off. That's the responsibility of the lender providing the revolving facility if they deemed the lending was no longer suitable for Mrs R, so I don't think Lendable did anything wrong by taking Mrs R's word for what the purpose of the loan was here.

I addressed in the provisional decision why I don't think Lendable needed to rely on Mrs R's overdraft usage as a reason not to lend to her, and Mrs R's comments about this haven't changed my mind. When completing an assessment of Mrs R's affordability, her joint commitments were taken into account, as was her fixed expenditure, which Lendable had verified using open banking.

Finally, with regards to Mrs R's comments about my decision differing from that of the Investigator's, I appreciate her disappointment in the outcome changing. But I've reviewed the available evidence after Lendable disagreed, and I can assure her I've taken into account the relevant rules and regulations. Having done so, I'm satisfied, as the independent final decision maker in this complaint, that my conclusions around what's fair and reasonable are in line with those.

In reaching my conclusions, I've also considered whether the lending relationship between Lendable and Mrs R might have been unfair to Mrs R under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Lendable did not lend irresponsibly when providing Mrs R with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Mrs R, I'm not upholding her complaint against Lendable for the reasons explained above.

My final decision

It's my final decision that I do not uphold Mrs R's complaint against Lendable Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 26 February 2026.

Meg Raymond
Ombudsman