

The complaint

Mr F complains that Lendable Ltd irresponsibly lent to him in March 2018.

What happened

The facts of this case are familiar to both sides. With that being the case, I won't provide a detailed background here. Instead, I'll provide a brief summary.

Lendable provided Mr F with a single loan in March 2018. The loan was for £4,500 and it was due to be repaid through 36 monthly repayments of £157.01. The total amount to be repaid by the end of the loan term, including interest and fees, was £5,655.72. As I understand it, the loan was settled early in August 2020.

In November 2025, Mr F complained to Lendable about its decision to lend.

Later that month, Lendable issued its final response in which it did not uphold the complaint. In short, Lendable said it conducted reasonable and proportionate checks prior to agreeing to lend and the output from those checks did not give it cause to refuse to lend.

Unhappy with this, Mr F referred his complaint to our service. In doing so, Mr F said (amongst other things):

"Lendable provided me with a personal loan which I believe was not affordable or sustainable in the context of my wider financial position at the time. Although the monthly repayment may have appeared affordable in isolation, the lending formed part of a broader pattern of credit dependency, persistent debt, and cumulative financial harm.

Lendable's assessment relied primarily on a snapshot of my credit file and verified income. In my view, this failed to adequately consider whether the borrowing could be sustained over time without causing harm."

One of our investigators reviewed Mr F's complaint and, having done so, issued their opinion in February 2026. In short, our investigator thought that Lendable gathered sufficient information prior to approving Mr F's loan application and, based on the information it obtained, it was not wrong to lend.

Mr F did not agree with our investigator and, as a result, the complaint has been passed to me to review afresh.

Before I proceed, it is important to set out the scope of this decision. I note a complaint about another loan provided to Mr F by Lendable in July 2019 has been addressed (and resolved) under a separate complaint reference number and it is, therefore, not the subject of this decision. This decision solely concerns Lendable's decision to approve the earlier loan in March 2018.

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've also had regard to the regulator's rules and guidance on responsible lending (set out in its consumer credit handbook – CONC) which lenders, such as Lendable, need to abide by. I won't set these out in detail here, but the Financial Ombudsman Service has set out its general approach to complaints about irresponsible and unaffordable lending on its website.

And, having taken all of this into account along with everything else I need to consider, I do not think this complaint should be upheld. I know this will come as a disappointment to Mr F, but I'll explain why I think this is a fair outcome in the circumstances.

However, before I do, I'm aware that I've summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've based my decision on the balance of probabilities.

As I've said, the Financial Ombudsman Service has set out its general approach to complaints about irresponsible and unaffordable lending on its website. In essence, Lendable needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr F could repay the loan repayments when they fell due and without the need to borrow further.

These checks weren't prescriptive but could take into account a number of different things such as how much was being lent, the repayment amounts and the consumer's income and expenditure.

So, in keeping with the information on the Financial Ombudsman Service's website, I think there are a number of overarching questions I need to consider when deciding a fair and reasonable outcome given the circumstances of this complaint:

1. Did Lendable carry out reasonable and proportionate checks to satisfy itself that Mr F was likely to have been able to repay the borrowing in a sustainable way?
 - i. If Lendable carried out such checks, did it lend to Mr F responsibly using the information it had?

Or

- ii. If Lendable didn't carry out such checks, would appropriate checks have demonstrated that Mr F was unlikely to have been able to repay the borrowing in a sustainable way?
2. Did Lendable act unfairly or unreasonably in some other way?

There are many factors that could be relevant when determining how detailed proportionate checks should have been. And while much will depend on the circumstances in question, the more obvious factors include – though aren't necessarily limited to:

- the type of credit Mr F was applying for along with the size, length and cost of the borrowing; and
- Mr F's financial circumstances – which included his financial history and outlook along with his situation as it was, including signs of vulnerability and/or financial difficulty.

And generally speaking, I think reasonable and proportionate checks ought to have been more thorough:

- the lower an applicant's income because it could be more difficult to make the repayments as a result;
- the higher the amount repayable because it could be more difficult to meet a higher repayment, especially from a lower level of income; and
- the longer the loan term, because the total cost of the credit was likely to have been greater given the longer time over which repayments have to be made.

As a result, the circumstances in which it was reasonable to conclude that a less detailed affordability assessment was proportionate strike me as being more likely to be limited to applicants whose financial situation was stable and whose borrowing was relatively insignificant and short-lived – especially in the early stages of a lending relationship.

Did Lendable carry out reasonable and proportionate checks?

Prior to agreeing to lend, Mr F was asked to provide details about the purpose of the loan, his employment status and income. As I understand it, Mr F declared the loan was for debt consolidation, he was employed full-time with a income of £45,000 per annum (£2,802 monthly).

CONC 5.2a.15(2) says: *"The firm must take reasonable steps to determine the amount, or make a reasonable estimate, of the customer's current income."*

And CONC 5.2A.16(3) says: *"...it is not generally sufficient to rely solely on a statement of current income made by the customer without independent evidence (for example, in the form of information supplied by a credit reference agency or documentation of a third party supplied by the third party or by the customer)."*

In this case, Lendable says the declared income figure was checked by cross referencing information through a third-party report provided by a credit reference agency. The results from this suggested the figure Mr F had declared was likely to be accurate. This is an acceptable industry-standard way of assessing income. And in the circumstances of this case, I think it was reasonable for Lendable to rely on this information.

Mr F was also asked for details of his homeowner status and monthly mortgage cost. Mr F declared he owned his own home and declared his mortgage payment to be £0.

Lendable also conducted a credit file search prior to agreeing to lend – and it has provided our service with a copy of the results. It used the information within the credit to calculate the amount Mr F was paying each month towards his existing credit commitments.

The loan repayments were not particularly large compared to what Lendable understood to be Mr F's income and, what's more, this appears to have been Mr F's first loan with Lendable¹. As such, I don't think there was any established pattern in his borrowing needs, at least from Lendable, at that stage. With all of this in mind, whilst I recognise Mr F may disagree, I think Lendable proceeded with a proportionate amount of information.

However, as I've said before, once Lendable had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Mr F could afford to meet the loan repayments in a sustainable way over the term of the loan.

Did Lendable lend to Mr F responsibly using the information it had?

Using the information Lendable gathered about Mr F's income against what it gathered about his existing credit commitments, it looked like he had sufficient headroom to meet his living and other non-discretionary expenses. In other words, Lendable was satisfied that the loan repayments (£157.01) should've been affordable for Mr F on a simple pounds and pence basis. This does not seem like an unreasonable conclusion in the circumstances.

The loan payments being affordable on a pounds and pence basis might be an indication a consumer could sustainably make their repayments. But it doesn't automatically follow this is the case. This is because the relevant regulations define sustainable as being without undue difficulties and in particular the customer should be able to make repayments on time, while meeting other reasonable commitments; as well as without having to borrow to meet the repayments. And it follows that a lender should realise, or it ought fairly and reasonably to realise, that a borrower won't be able to make their repayments sustainably if they're unlikely to be able to make their repayments without borrowing further.

As I've said, Lendable also carried out a credit check prior to granting the loan and it has provided the results. So, I've turned to look at what this check revealed.

The credit search indicated that Mr F had total debt of around £5,204 spread across seven active accounts at the time. So, I don't think Mr F's overall indebtedness (particularly relative to what Lendable understood to be his income) ought to have given it cause for concern.

This included three credit cards all with balances well within agreed limits, two current accounts with zero balance, one account described as 'Credit Sale' with a regular payment of £43 which was well maintained and one telecommunications account with zero balance. So, the credit search did not provide any indication of active or recent arrears or any other payment problems with his existing credit commitments. What's more, Mr F's revolving credit (which made up the majority of his overall indebtedness) utilisation was only 45% which indicates he was not reliant on such borrowing to get by.

The results also provided no indication of any insolvencies or any other public records – such as County Court Judgments – about which Lendable had been informed.

I can see that there was some evidence within the credit report to suggest that Mr F had experienced prior problems managing his money. I say this noting he took out a number of loans described as 'Advance Against Income' (which is a form of payday lending) throughout 2012 and 2013. However, as Mr F entered into these agreements several years prior to the

¹ I note Mr A did enter into another loan agreement with Lendable in July 2019. I understand Mr A raised a separate complaint about Lendable's decision to provide this loan. In response, Lendable made a proactive offer to settle the complaint in-line with our service's usual approach. This was accepted by Mr A, and the complaint was subsequently resolved.

lending in question - and noting he was maintaining his existing commitments well (and had been for some time) - I think Lendable would have reasonable grounds to conclude that any difficulties Mr F experienced previously were not representative of his current financial situation. So, I don't think this would have given Lendable cause to make more searching enquiries or otherwise refuse to lend.

What's more, as I understand it, the purpose of this loan was for debt consolidation. The amount lent would have enabled Mr F to consolidate a reasonable proportion of his existing revolving credit debt and, therefore, likely be in a better financial position as a result. And as Mr F didn't have a history of applying for loans with Lendable for consolidation purposes and then returning for further funds after having failed to consolidate as he said he would, I think Lendable was reasonably entitled to believe the funds would be used for the stated purpose.

I understand Mr F's financial situation may have been worse than the information Lendable gathered at the time suggested. And I accept that a more forensic analysis of Mr F's financial situation – such as a granular review of his bank statements from the time or similar – may have painted a different picture. However, for the reasons I've explained, I think Lendable carried out proportionate checks and it relied, reasonably in my view, on the information it gathered. And given the size of Mr F's monthly repayments, I don't think it was unreasonable of Lendable to grant the lending in question with all of that being the case.

Finally, I've considered what Mr F has told us about the outcome of other complaints he has made concerning irresponsible lending covering a similar time period. But it's important for me to explain that we consider complaints on an individual basis and looking at the individual circumstances. Furthermore, I'm not bound by the outcomes reached by firms (or by our service) in relation to other complaints. Ultimately, I'm required to consider the facts of a case and reach my own conclusion on what's fair and reasonable in all the circumstances.

In summary, I think Lendable carried out reasonable and proportionate checks prior to agreeing to lend. And I don't think there was sufficient information within the checks Lendable carried out that ought to have alerted it to the possibility that Mr F would struggle to afford the monthly repayments over the term of the loan in question.

Did Lendable act unfairly or unreasonably in some other way?

In determining this matter, I've also considered whether Lendable acted unfairly or unreasonably in some other way given what Mr F has complained about, including whether their relationship with him might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think Lendable lent irresponsibly to Mr F 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.

With that being the case, whilst I understand this will come as a disappointment to Mr F, I do not uphold this complaint.

My final decision

For the reasons I've outlined above, I do not uphold Mr F's complaint about Lendable Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 19 May 2026.

Ross Phillips
Ombudsman