

## The complaint

Mrs C complains that Everyday Lending Limited trading as Evlo (Evlo) irresponsibly provided her with a loan.

## What happened

Evlo provided Mrs C with a loan, as follows:

Date	Loan amount	Period	Monthly repayment
November 2024	£10,000	60 months	£473.07

In summary, Mrs C considers that Evlo lent to her irresponsibly because its affordability assessments had been insufficient. Her complaint was rejected by Evlo because it considered that its affordability assessment and lending decision had been appropriate.

Mrs C remained unhappy and brought her complaint to this service. One of our investigators reviewed matters and considered that Evlo's lending had been irresponsible.

Evlo didn't agree with our investigator's view. So, as an agreement has not been reached, the complaint has been passed to me to make a decision.

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.*

*I've looked at all of the information on file, although I may not have commented on everything. Having done so, I've reached a different conclusion to our investigator. I'll explain my reasons why.*

*The rules and regulations in place at the time Mrs C was provided with the loan, required Evlo to carry out a reasonable and proportionate assessment of whether she could afford to repay what she owed in a sustainable manner. These are sometimes referred to as an 'affordability assessment' or an 'affordability check'.*

*The checks had to be 'borrower' focused. This means Evlo had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mrs C. In other words, it wasn't enough for Evlo to consider the likelihood of it getting the funds back – it had to consider the impact of any repayments on Mrs C.*

*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 Evlo did what it needed to do before arranging the loan for Mrs C.*

*Mrs C's loan application was first discussed in telephone conversations with Evlo, following which she attended a branch to finalise and sign her loan agreement. Evlo carried out a credit check. This showed that Mrs C's overall indebtedness was £22,359. There had been some recent early arrears on one loan account and one credit card account but both had been resolved prior to the loan application. She was using around 91% of the available credit on her existing credit cards. There had been no defaults in the last 36 months and no County Court Judgments or similar either.*

*In addition to the information provided by Mrs C, Evlo carried out an affordability assessment using Open Banking data. To the extent that Open Banking data did not provide a full picture, Evlo used Office of National Statistics (ONS) data to fill any gaps. Evlo determined that Mrs C's net monthly income was around £4,400, and the cost of servicing her debt (excluding loan consolidation) was around £760. In terms of expenditure, it also took account of Mrs C's partner's income and then used a process of apportionment to reduce certain monthly bills associated with housing and rent. It also analysed all of Mrs C's other expenditure including allowances for hobbies and socialising, amongst other matters. It also provided for a 'buffer' of 5% on this spending. When taking all of this into account and the monthly cost of repaying the loan, Evlo determined that Mrs C would have around £260 of disposable income each month.*

*Having reviewed the credit file, I can't see that there was anything significant which would suggest that Evlo was acting irresponsibly in providing Mrs C with a loan. The affordability assessment that was carried out was extensive and also took account of non-essential expenditure in determining Mrs C's disposable income. In overall terms, I think the checks carried out by Evlo were reasonable and proportionate.*

*In bringing her complaint to this service, Mrs C has raised a number of issues which I will now address.*

*Mrs C points out that when she applied for the loan, it was to finance some private medical care. I've considered whether it was fair for Evlo to take account of some debt consolidation in determining affordability as outlined above. In doing so, I've listened to the call recordings and looked at the documentary evidence to determine whether I think Evlo acted reasonably.*

*In her initial call to Evlo, Mrs C mentioned that she was contemplating some medical treatment but was uncertain about how much she wanted to borrow. The call handler mentioned that Mrs C could also use some of her loan for debt consolidation. It was explained that her credit score would improve significantly if the credit usage on three credit cards was reduced. Mrs C was keen to explore this further. The call handler indicated that the loan might serve both purposes. In the contact note of the same day, a reference is made to surgery costing £7,000 but that figure wasn't referred to in the two calls that took place on that day.*

*Shortly afterwards, Mrs C attended an appointment at an Evlo branch where the formalities of the loan were settled. Accompanying the loan documentation are mobile phone screenshots from three credit card accounts showing the balances of each of those accounts. It can be seen from Evlo's separate audit document that that these three accounts were the ones excluded when determining Mrs C's existing credit commitments as part of its affordability assessment. In other words, these accounts were the intended debt consolidation that Evlo had factored into its calculations. Mrs C was asked to sign the confirmation associated with the affordability assessment which, amongst other matters, recorded that she had been provided with the detail about how Evlo had calculated affordability.*

*I've thought carefully about whether it was reasonable for Evlo to take account of debt consolidation in its affordability assessment in these circumstances. I've concluded that it was for two reasons. First, it's evident from Mrs C's initial call that she was receptive to taking steps to improve her credit score by consolidating debt to reduce her credit card usage. Secondly, the screenshots accompanying the loan can only have been provided by Mrs C. I think they are further evidence that Mrs C was wanting to follow through on the interest that she had shown in her initial calls to Evlo. So, whilst Mrs C's initial call was prompted by her wish to pay for some private medical treatment, I've concluded that, by the time she took out the loan, she also wanted to improve her credit score by consolidating her credit card debt. Having been provided with the screenshots by Mrs C, I think Evlo were acting reasonably in believing that part of the loan would be used for debt consolidation. It follows that I think they were also acting reasonably in factoring this into the affordability assessment.*

*Mrs C has pointed out that, knowing she was contemplating surgery, Evlo failed to give proper consideration on the effect that this might have on her employment, income and welfare more generally. Mrs C also highlights that she was vulnerable. I accept that any medical treatment can have adverse consequences. I've considered the FCA's definition of a vulnerable customer and I also accept that the prospect of undergoing medical treatment inevitably creates vulnerabilities. However, Mrs C told Evlo that the reason for the medical treatment was to enable her to return to competitive sport which wouldn't, on the face of it, suggest that there was a broader risk to her health, job security or welfare. In the calls that I've listened to, Mrs C didn't raise any suggestion that the treatment she was seeking might raise broader risks to her situation either. As a result, I can't reasonably conclude that that Evlo have acted unfairly here.*

*Mrs C also highlights that the cost of living, commuting and providing financial support to a family member have now substantially increased her outgoings. This has caused her financial difficulty and she has been in the process of finalising debt management plans. Whilst I'm sympathetic to Mrs C, the decision that I'm being asked to make relates to whether Evlo acted responsibly at the time when the loan was taken out, rather than what has subsequently happened. I'm afraid, therefore, that I can't take this into account. Mrs C has told this service that she maintains contact with her lenders and I would encourage Evlo to exercise forbearance in relation to any lending that it has with Mrs C.*

*Whilst I know Mrs C is hoping for a different outcome, my provisional decision is that I don't think Evlo acted irresponsibly when it provided her with the loan. It follows that I'm not minded to uphold her complaint.*

*Finally, I've also considered whether the relationships 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 Evlo lent irresponsibly to Mrs C or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here."*

Evlo didn't respond to my provisional decision. Mrs C responded with some additional comments.

### **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 understand Mrs C's strength of feeling about the circumstances of the loan being granted. However, I think Evlo's checks showed that the loan would be affordable for her and that she would be able to make repayments sustainably. In reaching that conclusion, I take account of the fact that Evlo's affordability assessment included non-discretionary expenditure and a 5% buffer. In these circumstances, I can't find that it acted irresponsibly. I accept Mrs C's general point that her proposed surgery wasn't solely connected to her return to competitive sport and that it could have a broader impact on, for example, her mobility. And, I accept that anyone contemplating surgery has a vulnerability. However, having listened to the calls between Mrs C and Evlo and having reviewed the loan documentation which Mrs C signed, I'm not persuaded that Evlo was aware of any broader risk relating to Mrs C's health which might have changed its lending decision. In overall terms, I don't think Evlo has acted unfairly.

Finally, I'm grateful that Mrs C has shared with us that she continues to engage with Evlo constructively in working through her current financial difficulties.

Whilst I appreciate that this will come as a disappointment to Mrs C, I see no reason to deviate from my provisional decision. It follows that I don't think Evlo acted unfairly when deciding to lend to Mrs C.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 23 March 2026.

John Butler  
**Ombudsman**