

The complaint

Miss B's complaint is about two loans Zopa Bank Limited provided her with. Miss B says the credit was provided irresponsibly.

What happened

The details of the loans included in this complaint are set out below.

Loan	Date	Amount	Term	Monthly Repayments
1	August 2025	£2,000	36 months	£76.70
2	November 2025	£1,000	36 months	£42.51

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Miss B's case.

This decision is about two loans, and I have considered each lending decision below.

August 2025 loan

I've decided the credit was provided fairly because:

- I think the checks Zopa Bank did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Miss B's financial situation.
- Zopa Bank's checks showed that Miss B had a high level of unsecured debt, but she was managing this with no county court judgements or defaults recorded. Miss B's accounts were up to date with no missed payments. She had taken out another loan within the previous six months with a balance of £962. I do not think this recent increase in credit was such that further questions were needed.
- Miss B declared an annual income of £59,000 which was calculated to give a monthly net income of around £3,557. This was verified using credit reference agency data, which I find reasonable. I also note that Miss B's bank statements support this income figure. Miss B declared she was a homeowner with mortgage costs of £250. Zopa Bank's checks identified a joint mortgage with repayments of £492, which supported Miss B's declared figure.

- Miss B's monthly repayments to her existing credit (excluding her mortgage) totalled around £2,020. This is a high proportion of her income. However, deducting these costs and Miss B's housing costs from her income left around £1,242 for her other regular expenses and general living costs as well as the new loan repayments. Given the size of the loan repayments, I do not think the affordability calculation raised concerns.
- Miss B has noted that this was her fourth loan with Zopa Bank. I accept that repeat borrowing can be a sign of financial strain. But in this case, Miss B appeared to be managing her commitments, and I have nothing to show she had experienced issues maintaining her payments for her previous loans.
- Based on the information Zopa Bank gathered and what it knew about Miss B's circumstances, there was nothing to suggest Miss B was likely to be unable to sustainably repay what she was being lent.
- I don't think Zopa Bank acted unfairly in any other way.

This means I don't think Zopa Bank did anything wrong when it provided the August 2025 loan to Miss B.

November 2025 loan

I've decided the credit was provided fairly because:

- I think the checks Zopa Bank did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Miss B's financial situation.
- This was a relatively small loan but was Miss B's fifth loan with Zopa Bank and Miss B's credit commitments had increased since August 2025. Miss B's credit report showed her accounts to be up to date and there were no missed payments, defaults or county court judgements. Therefore, I cannot say her credit check suggested she was struggling to manage her existing credit commitments. Her repayments to her existing credit commitments (calculated as totalling around £2,246) accounted for a high portion of her income. While I do not think this alone meant that the loan shouldn't have been issued, it was important to be confident that the additional credit would be sustainably affordable.
- Zopa Bank's checks showed that Miss B was employed with an annual income of £64,000 which was calculated to give a monthly net income of around £3,794. This was verified using credit reference agency data, which I find reasonable, and I note the income figure is supported by Miss B's bank statements.
- Miss B declared she was a homeowner with a joint mortgage and that her mortgage costs were £250. Her credit file showed the mortgage payments as £492. This supports Miss B's declared cost. Deducting Miss B's credit and housing costs from her income left around £1,252 for the Zopa Bank loan repayments and Miss B's other expenses including her general living costs.
- Based on the information Zopa Bank gathered and what it knew about Miss B's circumstances, there was nothing to suggest Miss B was likely to be unable to sustainably repay what she was being lent.

- I don't think Zopa Bank acted unfairly in any other way.

This means I don't think Zopa Bank did anything wrong when it provided the November 2025 loan to Miss B.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Zopa Bank lent irresponsibly to Miss B or otherwise treated her unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Miss B hoped for. But for the reasons above, I'm not asking Zopa Bank to do anything to put things right.

My final decision

My final decision is that I'm not upholding Miss B's complaint about Zopa Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 29 May 2026.

Jane Archer
Ombudsman