

## **Complaint**

Mrs L has complained about a credit card Lendable Ltd (trading as “Level”) provided to her. She says the credit card was irresponsibly provided to her as it was unaffordable.

## **Background**

Level provided Mrs L with a credit card with an initial limit of £200 in April 2022. Mrs L wasn’t provided with any credit limit increases.

One of our adjudicators reviewed what Mrs L and Level had told us. And he thought Level hadn’t done anything wrong or treated Mrs L unfairly in relation to providing the credit card. So he didn’t recommend that Mrs L’s complaint be upheld.

Mrs L disagreed and asked for an ombudsman to look at her complaint.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Mrs L’s complaint.

Having carefully considered everything, I’ve not been persuaded to uphold Mrs L’s complaint. I’ll explain why in a little more detail.

Level needed to make sure it didn’t lend irresponsibly. In practice, what this means is Level needed to carry out proportionate checks to be able to understand whether Mrs L could afford to repay any credit it provided.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Level says it agreed to Mrs L’s application after it obtained information on her income and carried out a credit search. And the information obtained indicated that Mrs L would be able to make the low monthly repayments due for this credit card. On the other hand Mrs L says that she was already struggling and shouldn’t have been provided with this credit card.

I’ve considered what the parties have said.

What's important to note is that Mrs L was provided with a revolving credit facility rather than a loan. And this means that Level was required to understand whether a credit limit of £200 could be repaid within a reasonable period of time, rather than in one go. A credit limit of £200 required small monthly payments in order to clear the full amount owed within a reasonable period of time.

Furthermore, I've seen records of the information Level obtained from Mrs L about her income and that was on the credit search carried out. And this information doesn't indicate to me that Level ought to have realised that Mrs L didn't have the funds to make the low monthly payment that would be required for this credit card.

I appreciate that Mrs L says that her circumstances were worse than this and she was struggling. But Level could only make a decision based on the information it had at the time. And as the available information indicates Mrs L could repay what she would owe at the time the lending decision was made, I don't think that Level needed to do anything more.

So overall while I can understand Mrs L's sentiments, I don't think that Level treated Mrs L unfairly or unreasonably when providing Mrs L with her credit card. And I'm not upholding Mrs L's complaint. I appreciate this will be very disappointing for Mrs L. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mrs L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 26 September 2023.

Jeshen Narayanan  
**Ombudsman**