

The complaint

Mr O complains that Lendable Ltd irresponsibly gave him a loan that he couldn't afford.

What happened

On 29 June 2021, Mr O applied for a loan with Lendable Ltd. He was given a loan of £9,500 over 48 months and the monthly repayment was £377.25.

In 2023, Mr O complained to Lendable Ltd to say that the account shouldn't have been opened for him because it wasn't affordable.

Our adjudicator recommended the complaint not to be upheld. Mr O didn't agree. So, the complaint has been passed to me to decide.

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 read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Lendable Ltd will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Mr O's complaint is that Lendable Ltd made credit available that was unaffordable. Lendable Ltd has explained that it relied in part on information that Mr O provided at the time of the application to assess affordability. On his application, Mr O told Lending Ltd he was in full-time employment with a monthly income of £1,578.00. Lending Ltd were entitled to rely on that information in part, but they also cross checked the income data using a credit bureau product to achieve some confidence that the amount of income stated on the application matched the amount paid into the customer's bank account. The checks suggested that there was sufficient income to support the proposed lending.

Lendable Ltd also said that they carried out a credit search in Mr O's name to assess Mr O's level of debt at the time of the lending decision and to understand how he had been managing that debt. Lendable Ltd told us that the credit check it secured showed that Mr O's credit history was very clean at the time of the loan application.

Mr O has provided a full copy of his credit file, which confirms what Lending Ltd said it saw in their checks. Mr O's credit report shows that Mr O's management of his existing credit

showed no recent history of CCJ's, defaults or bankruptcies at the time of the loan. And there was no blemish on that record at all in the 12 months prior to the lending decision.

So, it seemed from the credit file that at the point that the lending decision was made, Mr M was affording his existing credit. So, Lendable Ltd appeared to have little reason to make further enquiries into Mr O's expenditure at those times based on the information it was provided by Mr O and it procured for itself. And so, Lendable Ltd were not put on notice of any reason not to agree the lending from that.

Mr O has told us that he was struggling financially at the time. And he has provided details of another loan he took out in the same month as the loan at the heart of this complaint. I have been shown no evidence that Mr O made Lending Ltd aware of that loan when he applied for the loan with them. And the close proximity in time between the two pieces of lending would have meant that it is most likely that Lending Ltd would have had no sight of the other loan from the credit check it undertook.

I have to look at the information that was available to Lending Ltd at the time it made its lending decisions and not to use hindsight. I have seen insufficient evidence that the other information that Lending Ltd acquired or had presented to it at the time of the lending decision, would have led them to think that they were remiss in not checking Mr O's expenditure more closely.

So, having considered all the submissions made in this case, I'm not persuaded that based on the information provided to Lendable Ltd, or what Lendable Ltd could see of Mr O's management of other credit, ought to have prompted it to have acted differently than it did.

Having considered all the submissions made in this case, I have seen insufficient evidence to think that the credit Lendable Ltd provided to Mr O was unreasonable.

I know that Mr O will be disappointed with my decision, in itself and because he has invested time and energy in pursuing his complaint. But I want Mr O to know that I considered all the submissions made in this case. And I want to take this opportunity to say that I have been sorry to read of the financial difficulties, and other difficulties, Mr O has told us about. But having considered all the submissions in this case, particularly those concerning the time of the lending decision, I have not found sufficient evidence to uphold this complaint.

My final decision

For the reasons set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 17 November 2023.

Douglas Sayers
Ombudsman