

## The complaint

Mr M complains that Everyday Lending Limited ('Everyday') irresponsibly gave him a loan that he couldn't afford.

## What happened

On 22 July 2021, Mr M applied for a loan with Everyday. He was given a loan of £12,500 over 60 months and the monthly repayment was £423.62. The loan was intended to repay an existing loan of £5,308 with a monthly repayment of £371.89. The remainder of the loan was to enable some garden improvements.

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

Our adjudicator recommended the complaint be upheld. Everyday didn't agree. So, the complaint was passed to me to decide.

I issued my provisional decision in respect of this complaint on 1 December 2023, a section of which is included below, and forms part of, this decision. In my provisional decision, I set out the reasons why it was my intention not to uphold Mr M's complaint. I set out an extract below:

*"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".*

*Everyday 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 M's complaint is that Everyday made credit available that was unaffordable. To accompany the loan application Mr M had to provide two bank statements and one month payslip. These confirmed Mr M's income and expenditure. Everyday also carried out a credit search in Mr M's name to assess Mr M's level of debt at the time of the lending decision and to understand how he had been managing that debt. Everyday told us that the credit check it secured showed that Mr M's credit history was very clean at the time of the loan application. This showed that Mr M'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 recent 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.*

*I have noted that Mr M already had some credit at this time. And I've noted that some of it was to be repaid by this loan. Mr M's income was not modest in itself or in comparison to his committed expenditure, including the cost of servicing his existing credit. Thinking about these things, I'm not persuaded that Everyday had sufficient reason not to lend money to Mr M or that the new borrowing was sufficient to be automatically unreasonable. And so, having considered all of the above, I do not think that the credit position was such that Everyday should have avoided any further lending to Mr M.*

*In saying that I have also had consideration for the purpose of the loan. The purpose of the loan was in part for debt consolidation. The monthly cost of the new borrowing was a little over £50 a month more expensive than the cost of the existing borrowing the loan was to repay. So, I don't see this loan as evidence solely of new credit being provided by Everyday, adding to an already large amount of personal borrowing.*

*Instead, rather than the new credit solely adding to Mr M's burden of credit, in terms of total debt and the monthly cost of servicing that debt, it looks like Mr M was taking steps, that could be termed sensible, to manage his existing debt by taking out this loan and using it to pay off another debt. So, having considered all the details of this complaint, it doesn't seem automatically unreasonable for Everyday to have facilitated all of that. And so, Everyday were not put on notice of any reason not to agree the lending from that.*

*So, having considered all the submissions made in this case, I'm not persuaded that based on the information provided to Everyday, or what Everyday could see of Mr M'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 Everyday provided to Mr M was unreasonable."*

I asked the parties to the complaint to let me have any further representations that they wished me to consider by 14 December 2023. Everyday has not yet acknowledged the provisional decision. But Mr M has. Mr M has disagreed with those provisional findings and has made a further submission challenging the provisional findings.

Having reviewed the case file again in its entirety, I do not think it prejudicial to Everyday for me to proceed to a final decision in this complaint, without a further submission from them. So, I am proceeding to my final 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.

Mr M has been a strong advocate for his case, highlighting the parts of his circumstances that aid his argument. I would like to assure Mr M that I have noted his comments. And I considered all those aspects of the complaint before reaching my provisional findings. In particular, I thought about the historic markers of poor credit and his existing other borrowings that Mr M mentioned specifically.

I have considered all the details presented to me in reaching my determination. I considered historic adverse credit information and thought too about the clean recent history. Having done so, I did not think that the things mentioned by Mr M were sufficient in themselves to outweigh the other parts of the evidence from the time of the lending decision in question that suggested the lending was not unreasonable.

The aspects of the complaint that Mr M has highlighted in his latest submission, were all things that were raised during the investigation of the complaint and which I had considered before reaching my provisional decision.

So, as neither party has provided any new information or argument for me to consider following my provisional decision, I have no reason to depart from those findings. And as I've already set out my full reasons (above) for not upholding Mr M's complaint, I have nothing further to add.

So, having looked again at all the submissions made in this complaint, including Mr M's latest submission, I have still seen insufficient reason to uphold the 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 M to accept or reject my decision before 10 January 2024.

Douglas Sayers  
**Ombudsman**