

## The complaint

Mr P complains that Everyday Lending Limited trading as Everyday Loans irresponsibly gave him a fixed sum loan agreement he couldn't afford to repay.

## What happened

In November 2021, Mr P entered into a fixed sum loan agreement with Everyday Loans. The loan was for £1,800 repayable by 24 monthly instalments of £138.45. The total repayable was £3,322.80.

Mr P complained to Everyday Loans in December 2022. He said that the loan had been unaffordable from the outset and appropriate checks weren't completed before lending to him. Everyday Loans didn't agree it had acted unfairly. It said it had completed thorough checks which included reviewing his bank statements and payslips and these showed he had sufficient disposable income to afford the loan.

I sent Mr P and Everyday Loans my provisional decision on 3 October 2023. I explained why I thought the complaint shouldn't be upheld. I said:

*As part of the application for the loan Everyday Loans reviewed two months of bank statements and a payslip provided by Mr P. It also completed a credit check, used statistical data to estimate his likely living expenditure and it discussed Mr P's financial and personal circumstances with him over the telephone. Overall, I'm satisfied it completed proportionate affordability checks as it gathered a reasonably detailed picture of Mr P's financial situation, with sufficient evidence. I've therefore thought about what that information and evidence showed and whether Everyday Loans made a fair lending decision.*

*Everyday Loans could see that Mr P had an income of around £2,300 per month and had no rent or mortgage commitment as his accommodation was provided for by his employer. He had existing credit commitments which he was paying around £1,300 per month, and the credit check revealed these had been managed well. It also estimated Mr P's likely living costs to be around £700 per month and this didn't seem unreasonable by what it could see from his bank statements.*

*While Mr P did utilise his overdraft, he wasn't consistently overdrawn and his income would always place his account comfortably in a credit balance. It was also clear that one of his largest monthly credit commitments would be satisfied within two months of taking out this loan so that his outgoings would reduce by around £350 each month. Further, he had told Everyday Loans that the purpose of the new loan was to clear his existing credit card debt. So, this loan wouldn't be increasing his overall debt.*

*Taking all of this into consideration, I've not seen anything to persuade me that Everyday Loans made an unfair lending decision when granting this loan to Mr P. It completed proportionate affordability checks and those checks didn't reveal that the loan was likely to be unaffordable.*

Neither Mr P nor Everyday Loans responded to my provisional 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.

As neither party had any further comments or evidence to provide, I've seen no reason to reach a different conclusion to the one I reached in my provisional decision. For the same reasons I'm therefore satisfied that Everyday Lending didn't make an unfair lending decision when it granted Mr P the loan in 2021.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 November 2023.

Tero Hiltunen  
**Ombudsman**