

## **The complaint**

Mr M complains that Fluro Platform Limited trading as Lending Works irresponsibly gave him a fixed sum loan agreement he couldn't afford to repay.

## **What happened**

In September 2018, Mr M applied for a peer to peer fixed sum loan agreement through Lending Works. He borrowed £4,500, repayable over 60 months. The total repayable, including the arrangement fee and interest was £6,055.67. The monthly repayments were around £101.

Mr M complained to Lending Works to say that the loan had been irresponsibly provided to him. He said the loan was unaffordable and if appropriate checks had been done at the outset the loan wouldn't have been approved. Lending Works didn't think it had acted unfairly. It said it had completed adequate checks which didn't reveal any affordability concerns.

Our investigator didn't recommend the complaint be upheld. She thought Lending Works had gathered a proportionate amount of information and evidence before approving the loan and there was nothing in the information it gathered that ought to have caused it affordability concerns.

Mr M didn't agree, so the complaint has been passed to me for a 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.

Prior to granting credit, Lending Works needed to ensure the borrowing would be affordable to Mr M. There isn't a set list of checks it had to complete, but any checks it did needed to be proportionate in the circumstances of that lending decision. What is proportionate will therefore vary for every application. In deciding what is proportionate, Lending Works needed to take into account things such as (but not limited to): the total repayable, the term of the loan, the size of the regular repayments, the cost of the loan and Mr M's circumstances.

As part of the application Mr M declared he had a monthly income of £3,500. Lending Works used credit reference agency data to confirm if this was likely to be accurate and these checks said that it was. Mr M also declared there was at least one other person in his household that earned an income and that he had two dependents. Lending Works also completed a credit check and used statistical data to estimate Mr M's likely essential household bills and expenditure. It said based on the results of these checks it calculated that Mr M would have a monthly disposable income of around £1,900 and therefore it concluded the loan repayments of around £101 were affordable.

I've reviewed the credit check Lending Works completed and this showed that Mr M held a

mortgage with monthly repayments of £929, a recent loan with monthly repayments of £180 and had credit card debt of just over £3,000. There was no adverse information recorded on Mr M's credit file and no indication he had struggled to pay his existing credit commitments.

Based on what Lending Works could see, Mr M appeared to be able to comfortably afford the repayments of around £101 per month without difficulty. His credit commitments weren't significant when taking into account his income, especially as it appeared that there would be someone else in the household likely contributing towards the mortgage, bills and household essentials. He'd also declared that the purpose of the loan was for debt consolidation, so it seemed likely his overall unsecured debt wouldn't increase as a result of taking out this loan.

Taking everything into account, I think Lending Works completed reasonable and proportionate affordability checks in this specific case and I'm satisfied it made a fair lending decision based on what it had seen.

### **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 M to accept or reject my decision before 27 October 2023.

Tero Hiltunen  
**Ombudsman**