

## The complaint

Miss S complains that Lendable Ltd was irresponsible to lend to her.

## What happened

Miss S had one loan from Lendable in May 2021 as follows:

<u>Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Term</u>	<u>Monthly Repayment</u>	<u>Due</u>	<u>Repaid</u>
1	14 May 2021	£9,530	36m	£313.46	27 April 2024	26 Aug 2022

Miss S says Lendable approved her loan within minutes of her applying online. She says she had an Individual Voluntary Arrangement (IVA), a County Court Judgement (CCJ) and defaults on her credit record and Lendable should never have lent to her. Miss S says she had to borrow money to make the repayments and is still repaying the person who lent to her.

Lendable says all affordability, credit and income checks were carried out and Miss S fulfilled its criteria. It says there was nothing of concern on her credit file and it verified her income before approving the loan. Lendable adds that Miss S made her repayments on time before repaying the loan early, in August 2022.

Our investigator did not recommend the complaint should be upheld. She didn't consider there was anything in the information collected by Lendable that should have indicated the lending was unsustainable.

Miss S responded to say, in summary, that she should never have been given the loan as she was in an IVA at the time and also had two defaulted accounts and a CCJ.

## 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 need to take into account the relevant rules, guidance and good industry practice.

Bearing this in mind, in coming to a decision on Miss S's case, I have considered the following questions:

- Did Lendable complete reasonable and proportionate checks when assessing Miss S's loan application to satisfy itself that she would be able to repay the loan in a sustainable way?

- If not, what would reasonable and proportionate checks have shown?
- Did Lendable make a fair lending decision?
- Did Lendable act unfairly or unreasonably in some other way?

When Miss S applied for the loan, I've seen evidence to show Lendable checked her credit file and verified her income. These checks showed:

- A verified income of £1,665 per month;
- 13 active credit accounts:
  - Eight had a zero balance and one credit card had a balance of £1;
  - Two other credit cards had a total balance of £896 from a £4,250 combined credit limit;
  - Two telecom accounts had monthly repayments totalling £52;
- There was a County Court Judgment dating from April 2017 that had been satisfied in October 2017;
- A Debt Relief Order started in June 2016 and was discharged a year later;
- There were defaulted accounts from late 2015 to June 2016, but all had been satisfied by June 2017.

Based on the above, Miss S was managing her current credit well and was regular making well over the minimum payments towards her credit cards. It is evident that Miss S had been in significant financial difficulties previously, but all her debts had been cleared in June 2017 – almost four years before the loan application. I am also satisfied that Miss S's credit commitments were a small percentage of her verified income and so it was reasonable for Lendable not to consider it needed to carry out further checks with regard to her regular expenditure, especially as she was not overdrawn and able to make large payments on her credit cards.

I acknowledge that Miss S says she was in an IVA at the time, but this did not appear on the credit check carried out by Lendable. However, I note the reference number provided was, in fact, for a Debt Relief Order which was shown in the credit check and, therefore, would have been taken into account by Lendable in its lending decision.

In summary, I find that, based on all the information it gathered, Lendable carried out proportionate checks and made a fair lending decision. I note Miss S made all her repayments on time before settling the loan early in August 2022. I accept she says that she had to borrow money from elsewhere in order to do that, but I can't see Lendable acted unfairly either with its lending decision, or in any other way.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 22 August 2023.

Amanda Williams  
**Ombudsman**