

## **The complaint**

Mr S complains that Everyday Lending Limited, trading as Everyday Loans, lent to him irresponsibly when it provided him with a loan which he says he couldn't afford.

## **What happened**

Mr S took out a loan agreement with Everyday Loans for £1,500 in May 2022. The loan was to be repaid over 24 months with monthly repayments of £129.52.

Mr S says that Everyday Loans shouldn't have lent to him because he was struggling with other debt. He thinks Everyday Loans was negligent in allowing him to take the loans and asks that Everyday Loans write off the outstanding amount and remove any adverse credit markers from his credit file.

Our investigator didn't think Mr S's complaint should be upheld. Mr S disagreed.

As Mr S didn't agree with the investigator's view his complaint has been passed to me to make a 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.

We've set out our general approach to complaints about unaffordable and irresponsible lending - including the key relevant rules, guidance and good industry practice - on our website and I've taken that into account when I have considered Mr S's complaint.

Having done so, I have come to the same conclusion as that of our investigator. I will explain why I have reached this decision.

Everyday Loans needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr S could afford to repay what he was being lent in a sustainable manner. These checks could take into account a number of different things, such as how much was being lent, the repayment amounts and Mr S's income and expenditure. There is no set list of checks a business has to do.

In Mr S's case, Everyday Loans has provided evidence of the checks it completed, and the information Mr S gave during his application. Mr S declared a net monthly salary of around £2,466 a month which Everyday Loans verified by reviewing his payslips. He was living with his parents and paying up to £500 a month in rent. Everyday Loans carried out a credit check which showed Mr S had existing debt, the repayments on which were around £450 a month. Using Office of National Statistics data it modelled Mr S's other expenditure at around £1,445 a month. It also had sight of Mr S's bank statements and had a detailed

conversation with him about various transactions that were evident on those statements, including one off payments for social events and lifestyle expenditure. Everyday Loans also noted that Mr S had taken out a small loan during the course of his application with it and asked to see evidence of the settlement.

Mr S explained that he was using the loan to consolidate other lending and for home improvements. On that basis, Everyday Loans assessed that Mr S's repayments would not increase more than a few pounds a month and he would not be overly indebted.

I think Everyday Loans' checks were thorough. Mr S did have a poor credit history, but Everyday Loans noted that his recent debt management was good. Taking into account that Mr S was repaying some of his existing lending and that his repayments weren't increasing significantly I think Everyday Loans completed necessary and proportionate checks and acted fairly on the outcome of those checks.

In conclusion, I do not think Everyday Loans acted unfairly or unreasonably when it lent to Mr S and so I do not think Mr S lost out as a result of anything Everyday Loans did wrong. It follows that I do not think Everyday Loans needs to do anything further.

### **My final decision**

I do not uphold Mr S's complaint. It follows that Everyday Lending Limited, trading as Everyday Loans doesn't need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 December 2023.

Sally Allbeury  
**Ombudsman**