

The complaint

Mrs J says Morses Club PLC (Morses) lent to her irresponsibly. She says that she ended up in a debt spiral as the loans weren't affordable. She says that Morses should have seen this and not lent to her.

What happened

This complaint is about two home collected loans Morses provided to Mrs J in 2013.

- Loan 1 was started in August 2013 and Mrs J borrowed £200. I understand Mrs J was due to repay £10 for 33 weeks.
- Loan 2 was started in December 2013 and Mrs J borrowed £400. I understand Mrs J was due to repay £20 for 33 weeks.

I also understand Mrs J didn't fully repay loan 2.

Our adjudicator didn't uphold the complaint. He didn't have enough to say the loans were lent irresponsibly. Mrs J disagreed with the adjudicator's opinion and asked for an ombudsman's decision.

As no agreement has been reached the complaint has been passed to me.

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 irresponsible lending - including all of the relevant rules, guidance and good industry practice - on our website.

Broadly speaking, this all means that Morses needed to take reasonable steps to ensure it didn't lend irresponsibly. In practice, this means it should have carried out proportionate checks to make sure Mrs J could repay her loans in a sustainable manner. Additionally, there may come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable.

Applying this to the circumstances of this particular complaint, I have reached the same outcome as our adjudicator, for essentially the same reasons.

Mrs J has essentially said that she couldn't afford to repay this lending due to some financial difficulties she was facing. But she hasn't been able to provide any further evidence or detail about this. So, I can't say, from what Mrs J has provided or said, that Morses lent irresponsibly. This is because I can't say why it shouldn't have lent.

And Morses only has basic information about the lending and no more. This isn't unreasonable given the amount of time that has passed since the loans were taken out.

So, I don't have enough to say that its likely Morses was made aware of any financial problems Mrs J might've been having. Or anything that would've prompted it to investigate her circumstances further before it lent.

So overall, I haven't seen enough to be able to say that Morses decisions to lend were unreasonable. So I'm not upholding Mrs J's complaint about them.

My final decision

For the reasons set out above, I don't uphold Mrs J's complaint.

Morses Club PLC should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 11 March 2021.

Andy Burlinson
Ombudsman