

## The complaint

Miss N says Provident Personal Credit Limited trading as Satsuma irresponsibly lent to her. She says that at the time of sale she had other credit she was struggling to repay. So she says the Satsuma loans weren't affordable and Satsuma shouldn't have approved them.

## What happened

This complaint is about two instalment loans Satsuma provided to Miss N in August and September 2018. Some of the information I have been provided about the lending is in a table below.

loan number	date started	amount borrowed	weekly instalments	date repaid
1	28/08/2018	£100	13	16/11/2018
2	29/09/2018	£300	47	outstanding

Our adjudicator didn't uphold the complaint. He thought that Satsuma had made proportionate checks before approving each loan.

Miss N disagreed with the adjudicator's opinion and she asked that an Ombudsman consider the complaint.

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 Satsuma 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 Miss N 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.

For loan 1 Miss N needed to repay around £11 for 13 weeks. Loan 2 was started shortly after loan 1 and added around another £13 to this repayment. Loan two would run longer than loan 1 as it was scheduled to run for 47 weeks.

I've seen a record of the information provided when Miss N completed her loan application. Miss N said she had a monthly income of around £1,650. Provident recorded that she had regular monthly outgoings of around £950 for loan 1 and £650 for loan 2.

Satsuma used a mixture of the information Miss N provided and what it obtained from a credit reference agency to arrive at her expenditure figure. And it saw that the amount of credit Miss N had outstanding fell between loans 1 and 2. But even using the higher expenditure amount for loan 1 the lending would've seemed affordable to Satsuma.

I haven't seen any further information that shows its likely Satsuma was made aware of any financial problems Miss N might've been having. Or anything that would've prompted it to investigate her circumstances further. So I think it was reasonable for Satsuma to rely on the information it obtained and this showed Satsuma that these loans were affordable.

So overall, in these circumstances, I think the assessments Satsuma did for these loans were proportionate. So I think Satsuma's decisions to lend were reasonable and I'm not upholding Miss N's complaint about them.

### **My final decision**

For the reasons set out above, I don't uphold Miss N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 7 April 2021.

Andy Burlinson  
**Ombudsman**