

## The complaint

Ms P says Moses Club PLC lent to her irresponsibly. She says that Moses didn't make proper affordability checks. She says that if it had made these checks then it wouldn't have lent to her.

## What happened

This complaint is about four home collected loans Moses provided to Ms P between December 2015 and September 2016. Some of the information I have been provided about the lending is in the table below. Ms P repaid the loans weekly.

loan	date started	amount	instalments	date repaid
1	17/12/2015	£200	33	16/06/2016
2	24/03/2016	£100	33	01/09/2016
3	16/06/2016	£300	33	02/03/2018
4	01/09/2016	£200	33	17/12/2018

Our adjudicator didn't uphold the complaint. He thought that the checks Moses made were proportionate, and these showed that the loans were affordable for Ms P.

Ms P disagreed with the adjudicator's opinion; but she didn't raise any new points or say why she disagreed. 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.

Moses 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 Ms P could repay the loans 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 the consumer's income and expenditure. With this in mind, in the early stages of a lending relationship, I think less thorough checks might be reasonable and proportionate.

But certain factors might point to the fact that Moses should fairly and reasonably have done more to establish that any lending was sustainable for the consumer. These factors include:

- the *lower* a customer's income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);

- the *higher* the amount due to be repaid (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- the *greater* the number and frequency of loans, and the longer the period of time during which a customer has been given loans (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable.

I've decided not to uphold Ms P's complaint and I've explained why below.

For loan 1 Ms P needed to repay £10 each week. Due to the size of the loans, and the way they overlapped, this rose to £15 for loan 2, £20 for loan 3 and £25 a week for loan 4.

I've seen a record of the information Ms P provided when she completed her loan applications. Ms P said she had a weekly income of between £310 and £370 and she had regular weekly outgoings of between about £40 and £60, I understand a third party paid some of Ms P's living costs. So, it would've been reasonable for Morses to think that the loans were affordable for Ms P.

I haven't seen any further information that shows its likely Morses was made aware of any financial problems Ms P might've been having. Or anything that would've prompted it to investigate Ms P's circumstances further. So, I think it was reasonable for Morses to rely on the information it obtained.

So overall, in these circumstances, I think the assessments Morses did for these loans were proportionate. And I think its decisions to approve loans 1 to 4 were reasonable. I'm not upholding Ms P's complaint about them.

### **My final decision**

For the reasons set out above, I don't uphold Ms P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 2 November 2021.

Andy Burlinson  
**Ombudsman**