

## The complaint

Miss M says Morses Club PLC lent to her irresponsibly. She said that she had other commitments that she was struggling to repay when Morses lent to her. She thinks it should've seen this and not approved the loans.

## What happened

This complaint is about one home collected loan Morses provided to Miss M. Miss M borrowed £200 in February 2016. She needed to make 20 weekly repayments of £15. Miss M had problems repaying the loan and it was passed to a third-party collection agency, I understand in December 2017.

Our adjudicator didn't uphold the complaint. He said that the checks Morses did were likely to be proportionate and the loan repayments looked affordable.

Miss M, through her representative, disagreed with the adjudicator's opinion but didn't provide any further comments or evidence for this Service to consider.

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.

Morses 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 Miss M 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 Morses 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 seen a record of the information Miss M provided when she completed her loan application. Miss M said she had a weekly income of £366 and she had regular weekly outgoings of £245. So, it would've been reasonable for Moses to think that the loan repayments, of £15 a week, were affordable for Miss M.

I haven't seen any further information that shows its likely Moses was made aware of any financial problems Miss M might've been having. Or anything that would've prompted it to investigate her circumstances further. Miss M hasn't provided any further information about her circumstances. So, I think it was reasonable for Moses to rely on the information it obtained.

Overall, in these circumstances, I think the assessment Moses did for this loan was proportionate. And I think its decision to approve it was reasonable. I'm not upholding Miss M's complaint about it.

### **My final decision**

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

Moses 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 Miss M to accept or reject my decision before 14 January 2022.

Andy Burlinson  
**Ombudsman**