

## **complaint**

Miss N says Provident Personal Credit Limited trading as Satsuma lent to her irresponsibly.

## **background**

Miss N had one loan with Satsuma in April 2015. She borrowed £1,000, repayable at £158.33 per month for 12 months.

Our adjudicators sent two different recommendations to Miss N and Satsuma – the most recent of which was that the complaint should not be upheld. Miss N didn't agree with the second adjudication, so the complaint was passed to me to decide.

## **my findings**

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 short-term lending on our website and I've taken this into account in deciding Miss N's case.

Satsuma 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 N could repay her 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 Miss N'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.

Before approving her loan, Satsuma asked Miss N to provide information about her income and expenditure. It also carried out credit checks and applied various 'buffers' to Miss N's declared expenditure to increase it in accordance with the credit check results and other factors. After taking into account what Miss N had said and applying its buffers, Satsuma calculated that Miss N had monthly disposable income of a little under £1,000.

I think the checks Satsuma carried out were proportionate – and as those checks suggested the repayments for the loan were affordable I don't think Satsuma lent irresponsibly.

Miss N says she had a lot of debt and had taken out a number of other loans before applying to Satsuma. But the information Satsuma obtained – which included information provided by Miss N – suggested the loan was still affordable. So these points don't change my decision.

## **my final decision**

For the reasons given above, I do not uphold this complaint against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 24 November 2019.

Matthew Bradford  
**ombudsman**