

complaint

Ms S complains that Provident Personal Credit Limited, trading as Satsuma Loans, didn't make the necessary checks before lending money to her, that the loans were unaffordable and that it should've seen that she was struggling to repay her loans.

background

Ms S applied to Satsuma Loans for eight loans between February 2014 and May 2015. It accepted four of those applications and rejected the others. Ms S complained to Satsuma Loans in September 2015 that it didn't carry out enough affordability checks before lending to her. It said that the decisions to issue loans were in line with its lending policy. Ms S wasn't satisfied with its response so complained to this service.

The adjudicator didn't recommend that this complaint should be upheld. He looked at the information that Satsuma Loans took from Ms S when she applied for the loans, its application process, the history of the accounts and the information recorded on Ms S's credit file. He noted that Satsuma Loans had provided copies of the affordability checks it performed on each of the loans that it agreed and that it had said that it compared the figures given to it by Ms S with information which it got from credit reference agencies. He also noted that Satsuma Loans had revised up the figures that Ms S gave for her outgoings and that it included the loans that were shown on her credit file. That showed that Ms S had a disposable income and would've been able to afford the weekly repayments. He didn't think that Satsuma Loans should have declined the loan applications based on the information on Ms S's credit file. So he concluded that Satsuma Loans hadn't acted unreasonably by lending to Ms S. And he didn't think it could've concluded that the loans weren't affordable for her or that it could have known she'd have financial difficulties in the future.

Ms S has asked for her complaint to be considered by an ombudsman. She says, in summary, that:

- some of the loans were taken out when she had outstanding balances and had missed payments and that Satsuma Loans should have records of that;
- she told Satsuma Loans that she was in financial difficulty and that monthly repayments would've been better for her as she was paid monthly;
- if Satsuma Loans had checked her credit file properly it would have noticed various loans from other lenders which were in arrears; and
- Satsuma Loans has no customer login page so she couldn't monitor her loans and that everything was done over the phone so the only evidence she has is her credit file.

The adjudicator replied to Ms S. He said that the points she'd made didn't change his views on her complaint. He said that before Ms S took out her last loan with Satsuma Loans, in general, she was taking out short term lending and repaying it in full within a couple of months. He said that Satsuma Loans used the information provided by Ms S's credit file to try and verify her outgoings and that that information indicated that she was able to afford the loans. He also considered that there wasn't enough evidence to show that Ms S wanted to change the way that her payments were made.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I agree with the adjudicator – and for the same reasons.

my final decision

So my decision is that I don't uphold Ms S's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms S to accept or reject my decision before 23 March 2016.

Jarrold Hastings
ombudsman