

## **complaint**

Miss L complains that Provident Personal Credit Limited (trading as Satsuma Loans) didn't carry out proper affordability checks and irresponsibly granted her an unaffordable loan. She says the loan shouldn't have been granted as she'd payday loans with a number of other providers, a high interest credit card and rent arrears. She was also claiming benefits and had been made redundant. She wants a refund of interest, compensation and her credit file amended.

## **background**

Satsuma said in its final response that one loan for £200 was given to Miss L in November 2016. It was issued as it fell within its lending policy. It assessed affordability using checks and information internally and from a credit bureau. Miss L gave information about her income and outgoings. She'd more than enough to pay the loan. The information it had didn't show any payday loans issued, defaults or outstanding balances in the previous 12 months.

Our adjudicator felt this complaint shouldn't be upheld as Satsuma Loans hadn't done anything wrong. He said it'd carried out a credit check and income and expenditure assessment. These checks were proportionate to the amount borrowed. Satsuma hasn't been able to send us the results of the credit check but looking at the credit report Miss L sent in, it wouldn't have seen anything overly concerning. There wasn't anything to suggest more checks should have been done. It also relied on the information Miss L gave which showed she was employed and had a reasonable disposable income. The loan repayments appeared affordable. It wasn't wrong to lend to Miss L.

Miss L doesn't agree. She says her bank statement showed she'd other payday loans from a number of lenders to meet her commitments. She'd rent arrears and financial hardship. Satsuma's lending was irresponsible. She wants her credit file amended due to its poor service.

## **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's conclusions for the same reasons.

Miss L took out one loan for £200 loan in November 2016. It was repayable by a number of weekly instalments of about £22.

Before lending to Miss L, Satsuma Loans had to make sure the loan was affordable. There aren't set checks it had to carry out. But its checks should've been proportionate to things like – but not limited to – the size of the loan, the repayments and what it knew about Miss L.

Satsuma Loans says it carried out a check with a credit reference agency. It can't supply the results. But the information Miss L has sent in suggests there wasn't likely anything in the results that should've prompted more checks or raised concerns she couldn't afford the weekly repayments.

Miss L says she'd taken out other payday loans. But even if she'd taken out other loans in the past and could've still been paying some back, this didn't necessarily mean Satsuma Loans shouldn't have given her this loan.

Miss L also says she'd rent arrears. But it's highly unlikely they would've shown up in any credit agency search carried out by Satsuma.

Satsuma Loans also relied, as it was entitled to do, on the information Miss L gave. She declared her income, some expenses and appeared to have a reasonable disposable income. Although this information may not have been entirely correct or complete there's nothing to suggest any reason why Satsuma should've doubted what it was told.

Miss L says her bank statements showed she'd taken out a number of payday loans. But Satsuma Loans wasn't obliged to ask to see copies of her bank statements.

I agree with the adjudicator that there wasn't anything in the information Satsuma Loans had suggesting it should've had concerns about lending to Miss L, that she couldn't afford the loan's repayments or that more checks were called for. I think the information it had suggested the loan was affordable for her.

Taking everything into account I think Satsuma Loans' checks were proportionate and I can't fairly conclude on the information it had that the loan appeared unaffordable or shouldn't have been granted.

Miss L says Satsuma Loans' service has been poor at times. Although it could've perhaps dealt with a few things better I don't think this warrants a payment of compensation or amendment of her credit file.

Overall although I recognise Miss L's strength of feeling, I don't think I can reasonably require Satsuma Loans to refund interest to her, pay her compensation or amend her credit file as she'd like. And I don't see any compelling reason to change the proposed outcome in this case.

### **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 21 August 2017.

Stephen Cooper  
**ombudsman**