

## **complaint**

Ms P complains that Provident Personal Credit Limited, trading as Satsuma Loans, gave her a loan she couldn't afford to repay.

## **background**

In August 2016, Ms P took out a loan of £250 with Satsuma. The repayments were £20.48 a week for 21 weeks. I understand that Ms P didn't make any repayments.

Ms P says that at the time she took out the loan with Satsuma, she had other debt and a severe gambling problem. She says Satsuma shouldn't have lent to her.

Our adjudicator said that Satsuma did sufficient checks before lending to Ms P. She said it was reasonable for Satsuma to rely on the information Ms P gave, which indicated that the repayments were affordable. The adjudicator said the results of the credit search didn't show that Satsuma shouldn't have lent to Ms P.

Ms P didn't agree with the adjudicator. She said:

- She is aware of what she put on the application form but that wasn't a true reflection of her financial situation.
- Satsuma didn't check her financial situation properly.
- Satsuma's credit search didn't show all the relevant information in relation to her other short-term lending.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Before agreeing to lend to Ms P, Satsuma had to check that she could afford to make the repayments. The checks it did had to be proportionate. What's proportionate depends on things like the size of the loan repayments and the information it had about Ms P. There's no set list of the checks a lender should carry out.

Before agreeing to the loan, Satsuma asked Ms P about her income and outgoings, which it recorded as £2,200 and £650 respectively. It also carried out a credit check. I agree with the adjudicator that the checks Satsuma did before lending to Ms P were sufficient. This was Ms P's first loan with Satsuma and the level of repayment appeared affordable.

Ms P says Satsuma previously rejected applications from her. Satsuma's records show a previous application in February 2016 that Ms P didn't take up. I don't think previous applications alter the outcome here. I've seen nothing to suggest that any previous application contained information that should've alerted Satsuma to Ms P's financial difficulties.

The information a prospective lender obtains from a credit check is much more limited than the information available to Ms P from her credit file. I've looked at the information Satsuma got from the credit check in this case. I haven't seen anything that would've alerted Satsuma to affordability issues.

I can see that Ms P was in a very difficult financial position at the time she borrowed from Satsuma but I haven't seen anything to indicate that Satsuma either should've known that or carried out further checks before lending. In the particular circumstances here, I think Satsuma was entitled to rely on what Ms P said about her finances. I don't think it was wrong to lend to Ms P. So I don't uphold this complaint.

**my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 5 January 2018.

Louise Povey  
**ombudsman**