

complaint

Mr B complains that Morses Club PLC provided unaffordable loans to him. He wants the interest and charges to be refunded.

background

Mr B took out eight loans with Morses over around three years. The application for each loan included estimates of his income and expenditure.

Mr B says that he did not provide the income and expenditure figures, which were present when he first saw the forms. He says that he simply signed the forms and got the money.

Morses says that the forms which Mr B signed included a declaration about the figures provided. That declaration includes the following:

I confirm that this is an accurate representation of my current incoming and outgoings and that I can afford the weekly repayments for this loan.

Morses says that it relied upon the figures confirmed by Mr B. It says that this confirmed the affordability of the loans it provided.

Mr B says that these applications underestimated his outgoings. He says that he could not in fact afford the repayments and that more detailed affordability checks would have shown this.

As part of our process, the adjudicator provided their view to the parties. They did not think that Morses had done anything wrong here.

Mr B did not agree and so this has come to me for a final decision.

my findings

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

In order to decide whether Morses got anything wrong in lending to Mr B, I must first decide what checks would have been proportionate in the circumstances that it knew about. There is no checklist of what will amount to proportionate checks, but it will depend on things such as the amounts of the repayments and the income of the borrower.

Given the amounts that Mr B was being asked to repay, I think that Morses was entitled to rely upon information provided by him. It had no reason to think that more extensive checks were necessary.

I cannot say, from the evidence, that more checks would have shown the loans to be unaffordable. But I am satisfied that deeper checks did not need to be carried out here.

I note what Mr B says about the figures being provided by the Morses agent, rather than him. But he signed to confirm that they were accurate. Even if it is right to say that the numbers were put in by the agent, Morses was entitled to rely upon his declarations that they were accurate.

So I do not agree that the business got anything wrong when it provided these loans to Mr B. I am not going to ask it to do anything more in relation to this complaint.

my final decision

For the reasons given above, I do not uphold this complaint.

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

Marc Kelly
ombudsman