

## **complaint**

Mrs J and her representative complain that Morses Club Limited didn't carry out proper affordability checks and irresponsibly granted her two unaffordable doorstep loans. They say at the time she'd little income, other defaulted accounts and a poor previous payment history.

## **background**

Morses said in its final response that it wasn't a payday lender and it doesn't roll over loans or charge more for failed payments or late payments. Its agent visited Mrs J at her home and it carried out affordability checks on each loan. She'd confirmed the information given was correct. Her income and expenditure information showed she'd surplus income and could afford the weekly loan repayments. Its agent had collected the weekly payments and she didn't say she'd financial or health problems. He'd asked for more loans and had the opportunity to say if he'd problems. It was appropriate to issue these loans on the information it'd been given.

Our adjudicator felt this complaint should be upheld. She said:

- The first loan in August 2015 was for £300. Mrs J had a disposable income of £65 a week and the repayments were £15. This loan was affordable.
- The second loan was in November 2015. Mrs J's disposable income was now £63 a week and the previous loan although unpaid wasn't in arrears. The additional loan repayment still left Mrs J with a disposable income. This loan was also affordable.
- Mrs J's bank statements don't show any benefits being paid to her as stated on the application form. But she can't hold Morses responsible if incorrect information was given. It's entitled to make its lending decisions on the information supplied.
- Mrs J is now in financial difficulties and a repayment plan has been put in place from March 2016. This is fair and reasonable. She can't ask Morses to do more. Its also provided copies of the letters it sent advising Mrs J it was to default her account.

Mrs J's representative doesn't agree. He says I summary that Morses should've done more checks. He made many of the payments on the loans and told the agent Mrs J couldn't afford them. It should've done more checks and it shouldn't have given the second loan.

## **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.

Morses was entitled to rely on the information Mrs J gave. And the loans appeared reasonable. Mrs J also doesn't appear to have told Morses of any health issues. Morses also wasn't required to ask to see Mrs J's bank statements. And her first loan wasn't in arrears when she took out the second one.

Taking everything into account, although I recognise Mrs J's representative's strength of feeling, I don't think Morses' lending was irresponsible. The loans appeared affordable.

So, I see no 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 Mrs J to accept or reject my decision before 29 December 2016.

Stephen Cooper  
**ombudsman**