

complaint

Miss C complains that Morses Club Limited have provided unaffordable loans to her. She wants any interest and charges to be refunded to her.

background

Miss C took out three loans with the business over the course of around two years. Before each loan, the business looked into her income and expenditure before determining that she could afford the repayments.

Miss C says that, in fact, she could not afford to pay the loans. She says that the business checks did not go far enough.

The investigator thought that the business had carried out proportionate checks. They did not think that it had got anything wrong here.

Miss C 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.

Before lending money to a consumer, a business must take reasonable steps to establish that the repayments can be afforded. This service would not ordinarily seek to set out precisely what checks must be undertaken.

But we would look at whether the checks done were proportionate in all of the circumstances known to the business. These circumstances will include the repayment amounts and the income of the consumer.

I have looked at each loan, and the checks which were done before lending. Having regard to the amounts being loaned, I think that the business did enough when it asked for a breakdown of Miss C's income and expenditure.

Having considered what these checks turned up, I agree with the adjudicator that the loans did not appear to be unaffordable.

If Miss C was experiencing difficulties with the repayments, I would have expected her to bring that to the attention of the business. And then I would have expected the business to take reasonable steps to assist her.

But that did not happen here. Having looked at the loans, I am satisfied that the business did enough to check that they were affordable and has acted responsibly.

I agree with the investigator that the business need do nothing further 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 Miss C to accept or reject my decision before 18 November 2017.

Marc Kelly
ombudsman