

**complaint**

Mr R complains that Provident Personal Credit Limited (trading as Satsuma Loans) gave him loans that he couldn't afford to repay.

**background**

Mr R borrowed six times from Satsuma between March 2015 and July 2016. Three of his loans were cancelled shortly after they were taken out – but Mr R still paid a small amount of interest for the time he'd had the loan so I will consider them in this decision.

Each of Mr R's loans was repayable in instalments – either weekly or monthly. And the repayment periods varied between three and six months. All his loans have been repaid and a summary of his borrowing is as follows;

<b>Loan Number</b>	<b>Borrowing Date</b>	<b>Repayment Date</b>	<b>Loan Amount</b>
1	11/03/2015	15/04/2015	£ 100
2	17/04/2015	27/04/2015	£ 100
3	28/04/2015	29/05/2015	£ 100
4	03/06/2015	09/06/2015	£ 200
5	20/07/2016	30/07/2016	£ 500
6	31/07/2016	10/09/2016	£ 500

Mr R's complaint has been assessed by one of our adjudicators. He only considered the three loans that weren't cancelled. But he thought that Satsuma had done proportionate checks before agreeing to give Mr R these loans. And that those checks had suggested that Mr R could afford to make his repayments on the loans. So he didn't think that the complaint should be upheld.

Mr R disagrees with that assessment so has asked that his complaint be decided by an ombudsman.

**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've also taken into account the law, any relevant regulatory rules and good industry practice at the time the loans were offered.

Satsuma was required to lend responsibly. It needed to make checks to see whether Mr R could afford to pay back each loan before it lent to him. Those checks needed to be proportionate to things such as the amount Mr R was borrowing, and his lending history, but there was no set list of checks Satsuma had to do.

Satsuma has told us about the checks that it did before lending to Mr R. It asked him each time about his normal income. And it asked for details of Mr R's normal expenditure. I can see from the information that Satsuma recorded at the time that Mr R said he had at least £2,000 left over each month that he could use to repay his loans. And Satsuma also checked some details on Mr R's credit file before agreeing the loan. I haven't seen anything

in those results that should have caused additional concern to Satsuma about Mr R's financial situation.

Mr R borrowed from Satsuma in two blocks. The first four loans were taken in 2015. And then there was a gap of just over a year before he took his last two loans. So I think it would be reasonable for Satsuma to have assumed that any financial issues Mr R might have faced at the time he asked for his first four loans had been resolved over the year that passed between loans 4 and 5.

The amounts that Mr R needed to repay on each of his loans were relatively modest compared to the income that he declared to Satsuma. And his repayments looked easily affordable based on the expenditure that he declared. I think that the checks I've described above that Satsuma did before giving Mr R each of the loans were proportionate. I don't think Satsuma did anything wrong in agreeing to lend to Mr R.

I've considered what Mr R has said about his fifth loan being repaid by his partner, and that he then asked for a new loan the following day. But I haven't seen anything that makes me think Satsuma was asked not to lend to Mr R when his fifth loan was repaid, or that it was told Mr R was facing any financial difficulties. So I don't think the way Mr R's loan was repaid should have caused Satsuma any additional concerns about Mr R's finances.

#### **my final decision**

For the reasons given above, I don't uphold the complaint or make any award against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 December 2017.

Paul Reilly  
**ombudsman**