

## **complaint**

Mr S complains that Provident Personal Credit Limited (trading as Satsuma Loans) gave him instalment loans that he couldn't afford to repay. He wants it to refund the interest he paid and remove the loans from his credit file.

## **background**

Mr S had four instalment loans from Satsuma between June 2015 and November 2016. They were each to be repaid over a year in weekly instalments. Mr S said the loans were unaffordable. He said he'd been in financial difficulties at the time.

Our adjudicator didn't recommend that the complaint should be upheld. She thought Satsuma had made sufficient and proportionate checks to make sure the loans were affordable for Mr S. She thought it could rely on the information he'd provided about his outgoings and other commitments.

Mr S replied that he'd not given Satsuma a true picture of his financial affairs as he was desperate. He said his late payments should have alerted it to make further checks.

## **my findings**

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

Mr S's loans were for £400, £600, £900 and £400. As they were each to be repaid over a year, two loans would at times be concurrent. So Mr S's monthly repayments ranged between £58.48 and £137.76. Mr S is still repaying the last two loans.

Satsuma was required to lend responsibly. It should have made checks to make sure Mr S could afford to repay the loans before it lent to him. Those checks needed to be proportionate to things such as the amount Mr S was borrowing, and his lending history. But there was no set list of checks Satsuma had to do.

Mr S said his monthly income after tax was about £2,400. Satsuma asked for his monthly living expenses and other financial commitments. This left Mr S with a monthly disposable income between £1,400 and £1,850.

Mr S told us that he wasn't accurate about his existing commitments. I can see from his bank statements that he was borrowing from a range of short-term lenders. But I don't think it was unreasonable for Satsuma to rely on what he told it about his finances. It didn't have any reason to think he'd been inaccurate.

Satsuma also checked Mr S's credit report for existing commitments. Not all short-term loans are reported on credit files. Satsuma found no evidence of concerns that I think it should have checked with Mr S before giving him the loans.

Mr S said his missed payments should have alerted Satsuma to make further checks. Satsuma said Mr S had missed repayments on nine occasions. But each time he had contacted it and made the repayment usually the next day. It said he didn't raise any concerns about financial difficulties. It didn't charge him any late fees.

So I think Satsuma carried out affordability checks on the loans that were proportionate and sufficient. I think it was reasonable for it to rely on the accuracy of the information Mr S provided. So this meant it wasn't aware that Mr S was struggling financially when it gave him the loans. But I don't think its lending was irresponsible. I can't require it to pay Mr S any refunds.

**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 Mr S to accept or reject my decision before 27 April 2017.

Phillip Berechree  
**ombudsman**