

**complaint**

Mrs S complains that Provident Personal Credit Limited (trading as Satsuma Loans) gave her loans that she couldn't afford to repay.

**background**

Mrs S borrowed three times from Satsuma between February 2014 and July 2015. Each of Mrs S's loans was repayable in weekly instalments. And the repayment periods varied between 13 and 39 weeks. All her loans have been repaid and a summary of her borrowing is as follows;

<b>Loan Number</b>	<b>Borrowing Date</b>	<b>Repayment Date</b>	<b>Loan Amount</b>
1	20/02/2014	23/04/2014	£ 150
2	23/04/2014	27/10/2014	£ 300
3	05/07/2015	18/04/2016	£ 600

Mrs S's complaint has been assessed by one of our adjudicators. He thought that Satsuma had done proportionate checks before agreeing to give Mrs S these loans. And that those checks had suggested that Mrs S could afford to make her repayments on the loans. So he didn't think that the complaint should be upheld.

Mrs S disagrees with that assessment and has sent her bank statements and information about her other short term lending which she says wasn't considered and has asked that her 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 Mrs S could afford to pay back each loan before it lent to her. Those checks needed to be proportionate to things such as the amount Mrs S was borrowing, and her 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 Mrs S. It asked her each time about her normal income. And it asked for details of Mrs S's normal expenditure. I can see from the information that Satsuma recorded at the time that Mrs S said she had at least £800 left over each month that she could use to repay her loans. And Satsuma also checked some details on Mrs S's credit file before agreeing the loan. I haven't seen anything in those results that should have caused additional concern to Satsuma about Mrs S's financial situation.

Mrs S borrowed from Satsuma in two blocks. The first loan was taken in February 2014 and loan 2 refinanced the balance outstanding on loan 1 in April 2014. And then there was a gap of just over eight months before she took her last loan. So I think it would be reasonable for Satsuma to have assumed that any financial issues Mrs S might have faced at the time she

asked for her first two loans had been resolved over the time that passed between loans 2 and 3.

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

I've considered what Mrs S has said about her financial situation and the other short term lending she had at the time. But Mrs S didn't declare that to Satsuma and there was nothing in her borrowing history that indicated she was reliant on this sort of credit or that she was in financial difficulty. I have looked at Mrs S's bank statements and I have no doubt that she was struggling but I can't say that this should have been obvious to Satsuma or that it should have done more checks than it did for the loans.

### **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 Mrs S to accept or reject my decision before 21 December 2017.

Emma Boothroyd  
**ombudsman**