

The complaint

Mrs D took out a loan with AvantCredit of UK, LLC (AvantCredit) around July 2016. Mrs D thinks this was irresponsible lending on behalf of AvantCredit. As resolution to this complaint she wants a refund of all the interest she's been charged on the loan.

What happened

Mrs D took out a fixed sum loan around July 2016. Mrs D doesn't think AvantCredit carried out the necessary checks on her financial situation before offering her the loan.

AvantCredit has already looked at this complaint. They think they carried out reasonable checks before providing Mrs D with this borrowing. So they didn't uphold her complaint. As Mrs D remained unhappy, she referred the case to our service.

An investigator has already looked at this matter. Overall the investigator felt this wasn't irresponsible lending and so didn't uphold the case either.

Mrs D has now asked that her complaint be referred to an ombudsman for consideration.

What I've decided – and why

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

I appreciate Mrs D thinks that her borrowing from AvantCredit is an example of irresponsible lending. But I'm afraid I disagree. Overall I think AvantCredit did carry out reasonable checks into Mrs D's financial circumstances before providing her with the loan. AvantCredit has explained they followed their pre-approval assessment for affordability. And I've seen the affordability report. I've carefully considered Mrs D's monthly net income and the payment she was required to make each month under the loan. I note Mrs D's account was credit scored. Overall I can't say AvantCredit failed to properly assess Mrs D's affordability.

I don't think therefore it would be fair to ask AvantCredit to refund Mrs D all the interest she's paid on the loan to date. I do note Mrs D thinks she's paid a lot of interest. But this interest seems to have been applied in line with the account terms and conditions.

It should be explained that having other existing lending facilities or adverse information on a credit file wouldn't necessarily be enough of a reason in themselves to refuse an individual further borrowing.

I appreciate Mrs D says she struggled to maintain the repayments. And it appears from the further evidence Mrs D has kindly provided that she wasn't in the strongest financial position at the time of taking the loan. But as I understand, for the duration of the loan, Mrs D maintained the repayments. In light of this I don't think AvantCredit need to do anything further

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 Mrs D to accept or reject my decision before 6 July 2020.

Robyn McNamee
Ombudsman