

## **The complaint**

Mr B says Everyday Lending Limited (ELL) was irresponsible to offer him a loan.

## **What happened**

Mr B says he applied by phone for a £10,000 loan to consolidate his existing debts in April 2019. ELL asked him to visit a branch to sign the paperwork and bring in recent bank statements. He says before it even reviewed his bank statements it changed its decision and offered a £5,000 loan. He says it then used the fact there were gambling transactions on his statements to justify the lower loan offer, abusing the regulatory irresponsible lending guidelines. He also said the lower offer was irresponsible as he needed the full £10,000 to consolidate his debts and any less would have left him worse off financially.

ELL says it lowered the loan value it was happy to approve after seeing Mr B's bank statements. But it accepts that it shouldn't have made any offer to lend. For the inconvenience this caused Mr B it offered him £25 compensation.

Our adjudicator didn't uphold Mr B's complaint. He said ELL ought not to have offered a reduced amount after reviewing Mr B's bank statements, but the loan had not been processed so Mr B had not suffered any financial loss for him to consider. He said the £25 was an appropriate goodwill offer in the circumstances. Mr B disagreed so the complaint was passed to me.

## **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.

Where the evidence is contradictory or inconclusive, I have reached my decision on the balance of probabilities, in other words based on what I think is most likely given the available evidence and what I think is most likely to have happened.

Our approach to unaffordable/irresponsible lending complaints is set out on our website and I've followed it here.

I disagree with Mr B's argument that ELL was irresponsible to reduce the loan offer as he needed £10,000 to consolidate his debt, and reduce his monthly outgoings, so it caused him to struggle financially. I understand it would have been frustrating as Mr B was trying to sort out his finances, but ELL's checks gave it concern that Mr B would not be able to sustainably repay this size of loan so it was entitled to decline the £10,000 application.

The parties are in dispute about when and why ELL decided to reduce its loan offer to £5,000 and whether it was before or after reviewing Mr B's bank statements. Mr B feels strongly it was before, but ELL hasn't been able to find any evidence this was the case. Its account notes show it was after his documentation was reviewed. I think this is most likely given what we know about ELL's loan application process. However, I don't think I need to make a certain finding on this point as it would not change the outcome of this complaint for

Mr B. This wasn't a loan that completed. This means that Mr B didn't suffer any loss because of irresponsible lending on the part of ELL. So he hasn't lost out because of the lender's unfair decision. My analysis would be different had the loan completed.

ELL accepts it shouldn't have made the reduced loan offer given Mr B's financial position. I understand the £25 compensation ELL offered is still available. I think this is a fair offer given the level of inconvenience caused to Mr B. The time he needed to spend visiting the branch would have been no different had ELL outright declined his application after reviewing his bank statements.

During our investigation Mr B also raised a concern about having difficulties setting up a payment arrangement for a previous loan with ELL. From the correspondence available, it looks like this was subsequently resolved. Our adjudicator asked that Mr B let him know if this was not the case. As Mr B didn't respond to this point I am assuming the issue is closed.

### **My final decision**

I am not upholding this complaint. If Mr B wishes to accept ELL's goodwill offer he should contact the lender directly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 April 2021.

Rebecca Connelley  
**Ombudsman**