

The complaint

Mr H says MYJAR Limited lent to him irresponsibly.

What happened

Mr H had four loans with MYJAR, as I've summarised below.

Loan no.	Amount	Start date	End date
1	£100	20/02/2015	28/02/2015
2	£500	02/03/2015	29/05/2015
3	£1,000	03/01/2016	03/02/2016
4	£500	02/05/2016	31/05/2016

An adjudicator considered the complaint but didn't think it should be upheld. Mr H didn't agree and so his complaint was passed to me to decide.

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.

We've set out our general approach to complaints about short-term lending - including all of the relevant rules, guidance and good industry practice - on our website.

MYJAR needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr H could repay the loans in a sustainable manner. These checks could take into account a number of different things, such as how much was being lent, the repayment amounts and the consumer's income and expenditure. With this in mind, in the early stages of a lending relationship, I think less thorough checks might be reasonable and proportionate.

I've seen that before lending to Mr H, MYJAR asked him to provide some information about his income and expenditure. I won't set out the figures provided here, as they are known to both parties and were explained by the adjudicator. MYJAR also carried out credit checks and used all of this information to estimate how much it thought Mr H could afford to borrow, based on the required monthly repayments.

I think the approach MYJAR took to assessing the affordability of these loans was reasonable and proportionate. Taking into account the seven-month gap after loan 2, I don't think the pattern of borrowing suggested Mr H was in financial difficulty and wouldn't be able to repay the loans in a sustainable manner. I've also taken into account the credit file and bank statements Mr H provided – but much of the information contained within these wasn't available to MYJAR. As I think MYJAR's checks were proportionate, I don't think it needed to ask Mr H for additional information (such as bank statements) to support his applications.

I know Mr H says he had mental health difficulties and a gambling addiction when he applied for these loans – and I'm sorry to hear that. But it's not something I think MYJAR knew or ought to have known about.

So while I realise this will be disappointing for Mr H, I do not think his complaint should be upheld.

My final decision

For the reasons given above, I do not uphold Mr H's complaint against MYJAR Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 August 2020.

Matthew Bradford
Ombudsman