

## **The complaint**

Mr S says MYJAR Limited lent to him irresponsibly.

## **What happened**

Mr S took out a £175 loan with MYJAR in August 2018. The loan was scheduled to be repaid in six instalments but I understand it is still outstanding.

An adjudicator considered Mr S's complaint but didn't think it should be upheld. Mr S didn't agree, 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 S could repay his loan 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'm afraid I don't have much to add to what our adjudicator said to Mr S. I can see that Mr S is also unhappy about the loan balance MYJAR is reporting on his credit file – but that's a separate issue from Mr S's complaint about irresponsible lending and is something Mr S will need to raise with MYJAR as a new complaint should he wish to pursue this.

When responding to the adjudication, Mr S didn't have much else to say on the issue of irresponsible lending. From the information I've seen, I don't think MYJAR lent to him irresponsibly. Based on what Mr S told MYJAR about his income and expenditure it was reasonable for MYJAR to think the loan repayments would be affordable for him. And the credit check MYJAR carried out didn't highlight any significant issues with Mr S's existing debts.

For completeness, I'll add that I've seen what Mr S said about his personal circumstances and was sorry to read of what happened. I won't set out what he told us here to protect his privacy. But MYJAR didn't know about these circumstances and so it isn't something which it could've taken into account when deciding whether to lend to Mr S.

## **My final decision**

For the reasons set out above I do not uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or

reject my decision before 26 August 2020.

Matthew Bradford  
**Ombudsman**