

## **The complaint**

Mr T says Valour Finance Limited (trading as Savvy.co.uk) lent to him irresponsibly.

## **What happened**

Mr T took out a 12-month instalment loan from Savvy in October 2018. The loan was for £500, repayable in instalments of £83.33 per month.

An adjudicator considered Mr T's complaint but didn't think it should be upheld. Mr T disagreed – he said Savvy should've seen he had many other loans and shouldn't have given him multiple loans. As Mr T didn't accept the adjudicator's view, 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.

Savvy 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 T 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.

Before lending to Mr T, Savvy spoke to him by phone (it has provided the recording) to go over some of the details of his initial application. Mr T says he doesn't now recognise the income figure (£1,390 per month) used by Savvy but this appears to be the information he provided as part of his application. Savvy quotes this figure to Mr T, along with his employment and payday details, and he doesn't correct it. Savvy also goes over Mr T's essential expenditure and Mr T confirms he contributes £400 towards rent, £150 for housekeeping and £150 for household bills. He also says he works from home and lives in a city centre so has no travel costs, other than an occasional £11 for when he needs to go to the office.

Savvy also carried out a credit check – this showed Mr T had three credit cards and one mail order account, which were up-to-date at the time of the application. There is no evidence of any other unsecured loans. Savvy asks Mr T a question about one of the credit cards because the data reported was unusual – it showed that the card had a zero balance but the lender had reported late payments for some months. Mr T tells Savvy the card was being paid in the normal way – and while I think it might have been appropriate for Savvy to probe this answer a bit further, as the card balance was showing as zero I don't think it was something which required detailed questioning or additional evidence from Mr T.

Based on the information Mr T provided to Savvy and the information Savvy obtained as part of its credit check, I can't see any reason why Savvy ought to have concluded the monthly instalments of £83.33 would've been unaffordable to Mr T.

I've considered what Mr T has said about having multiple loans – but this isn't what Savvy's credit check showed – and Mr T only had one loan with Savvy, so these points don't change my conclusion.

### **My final decision**

For the reasons given above, I do not uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 October 2020.

Matthew Bradford  
**Ombudsman**