

The complaint

Mr W says S.D. Taylor Limited trading as Loans at Home (LaH) irresponsibly lent to him. He says he had a lot of problems with other credit when he took the loan from LaH. He thinks it should have spotted this and not lent to him. He also says that LaH didn't properly record his income and expenditure.

What happened

This complaint is about one home collected loan LaH provided to Mr W. Mr W borrowed £300 on 26 September 2019. He was due to make 33 weekly repayments of £15. Mr W struggled to make the repayments shortly into the loan term and I understand it still has an outstanding balance.

Our adjudicator didn't uphold Mr W's complaint. Mr W disagreed and so the complaint has been 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.

We've set out our general approach to complaints about irresponsible lending – including all of the relevant rules, guidance and good industry practice – on our website. Broadly speaking, this all means that LaH needed to take reasonable steps to ensure it didn't lend irresponsibly. In practice, this means it should have carried out proportionate checks to make sure Mr W could repay his loan in a sustainable manner. Additionally, there may come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable.

Applying this to the circumstances of this particular complaint, I have reached the same outcome as our adjudicator, for essentially the same reasons.

As I've said above, Mr W needed to repay around £15 a week for 33 weeks. I've seen a record of the information he provided when he completed his loan application. Mr W said he had a weekly income of £445 and he had regular monthly outgoings of £351.

LaH did some credit checks and these showed that Mr W had other credit that had repayments of £20 a week. And the credit check showed he was largely on top of his bills and repayments to other creditors.

So overall, I think the information LaH gathered showed that the loan was affordable.

I can see that Mr W was having some financial problems from the information he has provided. And he says that these affected his mental health. Whilst I do have some sympathy with this, I haven't seen any further information that shows its likely LaH was made aware of these problems. And given that this was his first (and only) loan there wasn't any anything at this early point in the lending relationship that would've prompted LaH to

investigate Mr W's circumstances further. So I think it was reasonable for LaH to rely on the information it obtained.

So overall, in these circumstances, I think the assessments LaH did before approving this loan were proportionate. And I think LaH's decision to approve the loan was reasonable and I'm not upholding Mr W's complaint about it.

My final decision

For the reasons given above, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 March 2021.

Andy Burlinson
Ombudsman