

## **The complaint**

Mr C complains that 247 Money Group Limited trading as 247Money irresponsibly granted him a hire purchase agreement he couldn't afford to repay.

## **What happened**

In October 2019 Mr C acquired a used car financed by a hire purchase agreement from 247Money. Mr C was required to make 60 monthly repayments of £215.21. The total repayable under the agreement was £12,912.60.

Mr C says that 247Money didn't complete adequate affordability checks. He says if it had, it would have seen the agreement wasn't affordable. 247Money didn't agree. It said that it carried out a thorough assessment which included carrying out a credit check and gathering information about Mr C's income and expenditure. It says it received a copy of Mr C's payslip and a recent bank statement to verify his income and assess his account management.

Our investigator didn't recommend the complaint be upheld. He thought 247Money didn't act unfairly or unreasonably by approving the finance agreement.

Mr C didn't agree and said that this credit was received after other credit had been provided and that his complaints about the previous credit being unaffordable had been upheld. He said 247Money didn't properly verify his outgoings and had it done so it would have realised he couldn't afford the payments due under the hire purchase agreement.

The case has been passed to me for a final decision.

## **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.

247Money will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Before granting the finance, I think 247Money gathered a reasonable amount of evidence and information from Mr C about his ability to repay. I say this because it asked Mr C about his income and verified this through a recent payslip and bank statement. It also carried out a credit check. This showed defaults and Mr C was asked about these and it was confirmed they were historic, and Mr C was paying £100 a month towards these through a payment plan. Mr C had another outstanding loan on which he had missed a payment. He was asked about this and he explained the reason for the missed payment and that he would be making the required payment the following month. I find the questions addressed the issues that were highlighted on the credit check in a reasonable way and I do not find the other information contained in the credit check meant further verification was required. Mr C's bank statement didn't suggest there were other outstanding credit commitments.

However, just because I think it carried out proportionate checks, it doesn't automatically mean it made a fair lending decision. So, I've thought about what the evidence and information showed.

I've reviewed the information and evidence 247Money gathered. Having done so I'm satisfied that the checks that were completed showed that the agreement was likely to be affordable to Mr C. I say this because Mr C explained his monthly net income varied but was around £1,800 (the payslip provided showed a higher amount). He explained his housing costs were taken from his salary at source and that other living costs were shared with his wife. His payments towards his other credit commitments were included in the assessment and because of the missed loan payment, a double payment was included for this. I note Mr C's comments about his gambling but as I find proportionate checks took place and these didn't show this I accept that 247Money wouldn't have been aware of this issue. Taking Mr C's expenses into account (including the double payment on the loan) the monthly repayment amounts of £215 appeared affordable. For these reasons, I don't think 247Money acted unfairly when approving the finance application.

I note Mr C's comments about his complaints about irresponsible lending from other parties being upheld. Each case is treated on its individual merits and my decision is based on the evidence I have seen regarding this specific complaint. So, while Mr C may have had other complaints upheld, in this case I find the checks carried out were proportionate and as these suggested the hire purchase agreement payments were affordable I do not uphold this complaint.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 December 2021.

Jane Archer  
**Ombudsman**