

The complaint

Mrs K complains Match the Cash Limited trading as Guarantormyloan.tv irresponsibly lent to her.

Mrs K is represented by a claims management company. For ease, I'll refer to all submissions as if they were made directly by her.

What happened

Match the Cash approved Mrs K for the following loans:

Loan	Date	Capital amount	Term	Monthly repayments (approx.)
One	September 2015	£1,000	12 months	£110
Two	December 2015	£1,500	36 months	£85
Three	October 2017	£5,000	48 months	£255
Four	June 2018	£7,750	60 months	£375

Mrs K says these loans were all lent irresponsibly. She says Match the Cash did not complete reasonable and proportionate checks; and had it done so it would've seen the loans were unaffordable to her.;

I wrote to both parties with my provisional decision. I set my provisional findings out as below:

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 approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've used this approach to help me decide this complaint.

Mrs K and Match the Cash are aware of our service's approach to irresponsible and unaffordable lending complaints; so for the sake of conciseness I won't set out the detail here.

I've reviewed all of the information that was gathered by Match the Cash during each loan application; and I'm satisfied in regard to each loan it completed reasonable and proportionate checks. I can see that in each instance it completed a search of Mrs

K's credit history; completed an affordability assessment and verified this information via bank statements and screenshots.

As I'm satisfied that reasonable and proportionate checks were completed on each loan; I've limited my decision here to whether Match the Cash made a fair decision to lend, whether it ought to have realised if it was increasing Mrs K's overall indebtedness in a way that was unsustainable or harmful; and if it acted unfairly or unreasonably towards Mrs K in any other way. I'll deal with each loan in turn.

Loan one

Loan one was for a capital amount of £1,000 to be repaid over 12 months with repayments of £110 (approx.). The purpose of the loan was listed as home improvements. Having considered the information that Match the Cash gathered I'm currently minded to say it made a fair decision to lend.

Our investigator recommended this aspect of Mrs K's complaint be upheld as there was evidence of Mrs K using her money to gamble. Whilst that is true, I'm satisfied that Match the Cash had sight of these transactions; and had factored them into the affordability assessment it had completed. I note that the amount of gambling transactions was relatively low (albeit high in frequency). However; I'm minded to say that this spending did not clearly demonstrate that the any lending would be used for unsustainable purposes.

Looking through the assessment that Match the Cash completed; it had taken into account all of Mrs K's known credit commitments (verified via the credit report and statements); and added in the repayments for this loan. Looking at these calculations the loan appeared to be affordable to Mrs K. And considering this was a first loan for a relatively small amount to be repaid over a short period, I'm satisfied it was not increasing her overall level of indebtedness in a way that was unsustainable or otherwise harmful. As such I'm currently minded to say it lent loan one reasonably.

Loan two

Loan two was three months after loan one. The capital amount was £1,500 to be taken over 36 months with repayments of £85 (approx.). The loan purpose was listed as 'for Christmas'. This loan went in part to settle loan one.

Again, having reviewed this information I'm currently minded to say that Match the Cash lent this loan responsibly.

The affordability assessment again noted Mrs K's known outgoings and credit commitments. The statements showed that she was still gambling, but this was a similar pattern and level as loan one. So again, I'm not persuaded it clearly demonstrated that any funds provided would clearly be used for demonstrably unsustainable purposes. The rest of the information that Match the Cash gathered demonstrated that Mrs K could afford the loan. Considering this loan also reduced Mrs K's monthly repayments I'm satisfied this loan was likely affordable to Mrs K; and as such Match the Cash made a reasonable decision to lend.

I'm also currently minded saying that Match the Cash did not increase Mrs K's indebtedness in a way that was unsustainable or otherwise harmful. This loan whilst increasing her overall level of indebtedness actually reduced her monthly repayments and attracted a lower interest rate than loan one; so, I'm persuaded it wasn't unsustainable or harmful to Mrs K.

Loan three

Loan three was taken in October 2017 and was for a capital amount of £5,000. This amount went in part to settle loan two. The monthly repayments increased to around £255. The purpose of the loan was listed as home improvements.

Having considered all of the information that Match the Cash had available to it, I'm not currently satisfied that it made a fair decision to lend this loan.

Match the Cash say that the checks it completed demonstrated that the loan was affordable to Mrs K. I'm not satisfied this was necessarily the case here; and considering the wider information it had I'm not satisfied it made a fair decision to lend. The overall spending analysis that Match the Cash completed on Mrs K's application demonstrated that she was at best breaking even when it came to debit v credit.

The information which Match the Cash gathered also shows that Mrs K's spending on gambling transactions had continued; and seemed to have increased in the period leading up to this loan being approved. The statements showed that Miss K was entering into her overdraft; and this was in part due to the gambling transactions she was completing.

She had also continued to rely on other forms of credit to help supplement her income. This loan was not going to help consolidate any of these debts (outside of the existing Match the Cash loan); and her repayments were increasing significantly from around £85 to £255. So I'm not satisfied this loan was sustainably affordable to Mrs K.

The credit file also suggested that Mrs K had received a default marker on her account between loan two and loan three being taken out. Again, suggesting that she was now struggling to meet her existing commitments. Equally, Match the Cash would now have seen that Mrs K now had a clear history of taking out new loans to repay previous ones. Taking all of this into account, I'm satisfied that there was clear evidence to demonstrate that Match the Cash ought to have realised that Mrs K was unlikely to be able to sustainably repay this loan.

Loan four

Loan four was taken out in June 2018, this was a total of £7,750. This loan went in part to settle loan three and the monthly repayments increased to £375. The loan purpose was listed as for home improvements and a holiday.

I've already explained why I think that loan three was unfairly lent; and it follows that loan four would also be. Mrs K's circumstances hadn't improved to the point where the increase in payments and overall debt was sustainable. The statements which Match the Cash gathered demonstrated again that at best she would be breaking even before considering the increased payment. Mrs K had continued to enter into her overdraft and was still gambling at similar levels as before. Her overall level of debt had also increased since loan three had been approved.

So considering this, and what I've concluded in relation to loan three, I'm not persuaded that Match the Cash lent loan four responsibly."

Mrs K responded accepting the findings to my provisional decision. Match the Cash did not respond within the relevant timeframe.

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.

As Mrs K accepted my provisional decision, and Match the Cash did not respond with any further comments, I'm satisfied my provisional decision should remain. That is to say I'm satisfied this complaint should be upheld.

This is for the detailed reasons outlined above, but for clarity:

- Loan one was lent responsibly, as the checks demonstrated that Mrs K could afford the necessary repayments (whilst noting Mrs K's expenditure on gambling).
- Loan two was similar to loan one. The information demonstrated Mrs K could afford the repayments without increasing her indebtedness in a way which was unsustainable or unhelpful.
- Loan three was irresponsibly lent. This was because Mrs K's gambling had continued; and the information Match the Cash gathered demonstrated that her outgoings had increased beyond her income. She had also continued to rely on other forms of credit to help supplement her income. This loan was not going to help consolidate any of her existing debts and her repayments were increasing significantly.
- Loan four was also unfairly lent. Mrs K's circumstances hadn't improved to the point where the increase in payments and overall debt was sustainable.

Putting things right

Mrs K has lost out financially as a result of Match the Cash's actions. She has had to pay additional interest and charges. As such Match the Cash Limited trading as Guaratormyloan.tv needs to put things right.

In order to do so, I require Match the Cash to:

- In relation to loan three:
 - Refund the interest and charges that Ms K has paid in relation loan three;
 - This amount should be refunded along with 8% simple interest (calculated from the date the payments were made until the date of settlement)*
 - To remove any negative information recorded on Mrs K's credit file in relation to loan three.
- In relation to loan four:
 - Add up the total amount of money Mrs K received as a result of having been given this loan. The repayments Mrs K made should be deducted from this amount; as well as any charges or fees associated with the loan.

- a) If this results in Mrs K having paid more than she received, then any overpayments should be refunded along with 8% simple interest (calculated from the date the overpayments were made until the date of settlement). *
 - b) If any capital balance remains outstanding, then Match the Cash should attempt to arrange an affordable/suitable payment plan with Mrs K.
- After all adjustments have been made and once there is no outstanding balance, Match the Cash need to remove any negative information recorded on Mrs K's credit file regarding this loan.

*HM Revenue & Customs requires Match the Cash to take off tax from this interest. Match the Cash must give Mrs K a certificate showing how much tax it's taken off if she asks for one.

My final decision

My final decision is that I uphold this complaint against Match the Cash Limited trading as Guarantormyloan.tv.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 22 November 2022.

Tom Whittington
Ombudsman