

The complaint

Ms W is complaining that AvantCredit of UK, LLC irresponsibly lent to her.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my decision.

Avantcredit hasn't responded to the adjudicator's view and so I don't know what its disagreement with the adjudicator's assessment may be.

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.

Having done so, I agree with the conclusions reached by the adjudicator for these reasons:

- AvantCredit's checks didn't go far enough and it should have taken its checks further. I say this because based on what AvantCredit saw from its credit checks, it should have been concerned that Ms W was likely reliant on credit and this should have prompted it to verify some of the information.
- Had AvantCredit carried out what I consider to be sufficient checks, it would have found that Ms W was borrowing from several other lenders and was gambling significantly when she borrowed from it. This wasn't a sustainable position.
- On this basis, I have concluded that AvantCredit shouldn't have lent the loan to Ms W and it needs to put things right.

Putting things right

- Remove all interest, fees and charges applied to the loan.
- Treat any payments made by Ms W as payments towards the capital amount of £3,700,
- If Ms W has paid more than the capital then any overpayments should be refunded to with 8%* simple interest from the date they were paid to the date of settlement,
- But if there's still an outstanding balance, AvantCredit should come to a reasonable repayment plan with Ms W.
- Remove any adverse information about the loan from Ms W's credit file.
- If AvantCredit has sold the debt, it needs to ensure that Ms W is redressed in line with the above recommendations.

† HM Revenue & Customs requires AvantCredit to take off tax from this interest. AvantCredit must give Ms W a certificate showing how much tax it's taken off if he asks for one.

My final decision

I uphold Ms W's complaint and direct AvantCredit of UK, LLC to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 21 April 2022.

Oyetola Oduola
Ombudsman