

## **The complaint**

Mr A is complaining that 1Plus1 Loans Limited irresponsibly lent to him.

## **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. 1Plus1 hasn't responded to the investigator's view and so I don't know what its disagreement with the investigator's assessment may be.

It appears Mr A had more than one loan with 1Plus1 but he's only complaining about the most recent one in August 2014 as he hasn't raised any objection to the investigator's view addressing only the last loan. And so I've based my decision solely on that loan.

## **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 unaffordable/irresponsible lending - including all of the relevant rules, guidance and good industry practice - on our website. 1Plus1 will be familiar with the factors we consider when looking at complaints like this.

Having all the relevant factors into account and thought about what they mean for this case, I agree with the conclusions reached by the investigator for these reasons:

- 1plus1's checks didn't go far enough, I think there were sufficient concerns raised about Mr A's ability to sustainably repay the loan. From the application call, it's clear that this wasn't Mr A's first loan, it was a refinance where this loan repaid the previous loan. Mr A was due to be indebted to 1Plus1 for a longer period compared to the first loan, so it needed to have a thorough understanding of Mr A's circumstances before lending.
- Even without 1Plus1 taking its checks further, it should reasonably have known Mr A would suffer adversely from further lending. Mr A had about eight defaults on his credit file, the most recent less than 12 months before this loan, he said the defaults should have been settled but 1 Plus1 could see there were outstanding balances on those defaulted accounts, 1Plus1 assigned small repayments which meant Mr A would be in debt for a long period of time.
- Taking into account his previous problems with credit, the refinancing of a previous loan and the length of time Mr A was likely to be indebted, 1Plus shouldn't have lent to him and it needs to put things right.

## **Putting things right**

- refund all interest and charges Mr A paid on the loan taken out in July 2014;

- pay interest of 8% simple a year on any refunded interest and charges from the date they were paid (if they were) to the date of settlement†;
- remove any negative information about this loan from Mr A's credit file;

† HM Revenue & Customs requires 1Plus1 to take off tax from this interest. 1Plus1 must give Mr A a certificate showing how much tax it's taken off if he asks for one.

### **My final decision**

I uphold Mr A's complaint and direct 1Plus1 Loans Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 March 2022.

Oyetola Oduola  
**Ombudsman**