

The complaint

Mr V complains that Everyday Lending Limited (trading as Everyday Loans) was irresponsible to lend to him.

What happened

Mr V had four loans from Everyday Loans between May 2014 and October 2018 as follows:

<u>Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Term</u>	<u>Repayment</u>	<u>Due</u>	<u>Repaid</u>
Joint	2 May 2014	£3,000	13m	£402.80	1 Jun 2015	25 Feb 2015 With loan 1
1	25 Feb 2015	£6,000	24m	£365.66	1 Mar 2017	30 Mar 2016 With loan 2
2	30 Mar 2016	£10,000	36m	£612.74	1 Apr 2019	31 Oct 2018 Refinanced
3	31 Oct 2018	£6,390.25	60m	£337.94	1 Nov 2023	Outstanding

Mr V says that Everyday Loans did not carry out sufficient affordability checks before agreeing to the loans. He says had it done so, it would have seen he was already dependent on high cost lending and further repayments were unsustainable. Mr V adds that the loans worsened an already poor financial situation.

Everyday Loans says it verified Mr V's job and income, reviewed bank statements, obtained payslips and conducted credit searches. It adds that it used a statistical average to estimate his other living expenses and the checks showed the loan was affordable. It says it believes its checks were proportionate and the repayments were sustainable over the loans' terms.

Our investigator explained that the first loan would be considered separately as it was in joint names but she recommended the complaint about the other loans should be upheld. She found that the information collected by Everyday Loans showed that Mr V was already struggling to manage his money at the time of loans 1, 2 and 3. She recommended that any payments made by Mr V should be deducted from the principal and that any overpayments should be refunded with 8% interest. She also said that any adverse information should be removed from Mr V's credit file.

Everyday Loans responded to say, in summary, that it did not accept the investigator's assessment of loan 1. It said it used a year-to-date figure for Mr V's income and even if Mr V's actual credit card payments were used, the loan would still be affordable. Everyday Loans accepted the investigator's view of loans 2 and 3.

My provisional findings

I issued a provisional decision to Mr V and to Everyday Loans on 25 February 2022. I've summarised my findings:

- As the investigator explained, Mr V took out the first loan jointly with another party, so it will be considered as a separate complaint.

- Everyday Loans agreed to the investigator's finding about loans 2 and 3, so I didn't consider those loans further.
- I was satisfied Everyday Loans carried out proportionate checks for loan 1 as it verified his income, checked his credit file and obtained bank statements;
- I found the affordability calculation used reasonable income and expenditure figures and that Mr V had enough disposable income to sustainably make the repayments.

My provisional decision was that I found Everyday Loans made a fair lending decision for loan 1, but that Mr V's complaint about loans 2 and 3 should be upheld, as it had agreed.

Mr V said he accepted my provisional decision, but Everyday Loans did not respond.

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 neither party provided any additional information and Mr V accepted my provisional decision, I see no reason to depart from it.

My final decision

My decision is that I uphold this complaint in part. Everyday Lending Limited (trading as Everyday Loans) should:

- Add up the total money Mr V received as a result of having been given loans 2 and 3. The repayments Mr V made should be deducted from this amount.
 - If this results in Mr V having paid more than he 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). *
 - If any capital balance remains outstanding, then Everyday Loans should attempt to arrange an affordable and suitable payment plan with Mr V;
- Remove any negative information recorded on Mr V's credit file regarding loans 2 and 3 up until the settlement date.

*HM Revenue & Customs requires Everyday Loans to deduct tax from interest. Everyday Loans should give Mr V a certificate showing how much tax it's deducted, if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 26 April 2022.

Amanda Williams

Ombudsman