

The complaint

Mr M complains that Progressive Money Limited (PML) lent to him irresponsibly.

What happened

Using information provided to us by PML, Mr M was approved for a £10,000 loan in November 2017. The repayments over ten years were just over £300 each month for 120 months. The interest on the loan was to be £24,641 with some additional fees as well – an acceptance fee and an administration fee (total £1,390). So, the total to pay was £36,031.60.

Mr M explained to PML that it was for debt consolidation on credit cards and to pay for a new boiler for the house he was renovating.

PML had information from Mr M including his net monthly income of around £2,400, and several PML representatives spoke to Mr M on the telephone during which the PML representative went through Mr M's credit file. PML also got copies of Mr M's payslips, and bank account statements. Additional telephone calls took place to double-check issues which appeared on the bank statements and/or to check whether some payday loans had been paid off.

Mr M had a mortgage with a high street bank and another loan with a lender I'll call 'Lender F' secured on the house as well.

Mr M had explained he wanted to consolidate all his active credit cards – seven in total - on which he was making a total minimum monthly payment of approximately £332.47.

The loan was approved and PML paid off the credit cards directly and paid to Mr M the balance of the loan which was £1,062.34.

In response to Mr M's complaint, PML said:

'All committed, priority, essential and non-essential expenses were accounted for within the affordability assessment completed by Progressive Money. Our records indicate that [Mr M] settled his account on 3 June 2021 and received an interest rebate.'

In response to the complaint, PML replied with its final response letter (FRL) dated 4 November 2020. PML was aware that he had recently taken, and paid off, three high cost short term instalment loans.

It said:

'The Underwriter provided you with a quote of £10,000 over a term of 120 months, an administration fee of £390, an acceptance fee of £1000, total interest payable of £26,641.60, total repayable of £36,031.60 a Gross Annual Percentage Rate (APR) of 41.02% and a monthly payment of £300.26.'

PML did not uphold Mr M's complaint. It said:

'You were previously making a total minimum payment of £332.47 across all 7 credit cards which were settled and replaced with the monthly Progressive loan payment of £300.26.'

Additional correspondence took place between Mr M and PML and it issued a further FRL dated 12 April 2021 in which it listed the seven credit cards it paid off for him and reconfirmed that as well as doing that PML paid £1,062.34 in cash.

PML confirmed that as well as the seven it consolidated, it knew he had a mortgage with a bank costing him £487 a month, a second mortgage with Lender F costing £386.43, and a car loan with a supermarket branded bank. That cost £156.90 a month.

During telephone calls with the PML representatives, Mr M had explained he had paid off three high cost short term loans or instalment loans before approaching PML.

PML was aware that Mr M received a bonus each year in February of around £5,000. PML treated it as surplus income. PML said that the level of interest was a fact about which Mr M was aware when arranging the loan.

One of our adjudicators looked at the complaint and thought that PML had carried out proportionate checks and that it did not need to put things right for him.

Mr M was not satisfied and listed a series of additional points for our adjudicator to consider. He said as follows (summarised)

- he had borrowed several payday loans which showed he was already struggling and talking out further unsecured debt wasn't appropriate.
- credit balances and secured loans showed he was in financial difficulty, was using credit cards to pay other debt, which then he consolidated on multiple occasions.
- he was over the credit facility limits on credit cards and overdrafts and, taking payday loans. There were numerous credit searches and consolidation loans. The secured borrowing increased, and later he had to sell the property to pay back the borrowing. All of which were a sign he was in difficulty.
- no stress testing was undertaken by PML and he feels the affordability checks were not robust.
- he had a default on a phone account and credit report with multiple short term loans. Mr M mentioned missed payments at the end of 2016 towards his supermarket branded loan, credit cards and one bank loan account. He was over the limit on one of his bank accounts.
- he said he'd taken a lot of cash advances
- Mr M says that the overall picture was a person not managing.

Our adjudicator explained that although she was sympathetic to the points she did not consider that the points had changed her view.

The unresolved complaint was passed to me to decide. On 14 October 2022 I issued a provisional decision in which I gave reasons why I considered that the complaint ought to be upheld. And so, I said I planned to uphold Mr M's complaint.

Both parties have responded – PML has gone into a lot of detail – and having considered the complaint again I have issued my final decision.

For ease of reading I have inserted the full text of the provisional decision here which forms part of this decision and is in smaller type to differentiate it from the parties' recent submissions and my final decision.

My provisional decision dated 14 October 2022.

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 the relevant rules, guidance, and good industry practice - on our website.

Taking into account the relevant rules, guidance and good industry practice, what I need to consider in deciding what's fair and reasonable in the circumstances of this complaint are whether PML completed reasonable and proportionate checks to satisfy itself that Mr M would be able to repay in a sustainable way? And, if not, would those checks have shown that Mr M would've been able to do so?

If I determine that PML did not act fairly and reasonably in its dealings with Mr M and that he has lost out as a result, I will go on to consider what is fair compensation.

The rules and regulations in place required PML to carry out a reasonable and proportionate assessment of Mr M's ability to make the repayments under this agreement. This assessment is sometimes referred to as an "affordability assessment" or "affordability check".

The checks had to be "borrower" focused – so PML had to think about whether repaying the loan would be sustainable and/or cause significant adverse consequences for Mr M. In practice this meant that PML had to ensure that making the payments to the loan wouldn't cause Mr M undue difficulty or significant adverse consequences.

In other words, it wasn't enough for PML to simply think about the likelihood of it getting its money back, it had to consider the impact of the loan repayments on Mr M. Checks also had to be "proportionate" to the specific circumstances of the loan application.

In general, what constitutes a proportionate affordability check will be dependent upon a number of factors including – but not limited to – the circumstances of the consumer (e.g. their financial history, current situation and outlook, and any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they are seeking. Even for the same customer, a proportionate check could look different for different applications.

I think that a reasonable and proportionate check ought generally to have been *more* thorough:

- the *lower* a consumer's income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);
- the *higher* the amount due to be repaid (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- the *greater* the number and frequency of loans, and the longer the period during which a customer has been given loans (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable).

I've carefully considered all the arguments, evidence and information provided in this context and what this all means for Mr M's complaint. And I add that this has been lengthy consideration with many documents and several recorded calls to listen to more than once.

PML has sent to me each of the recorded calls between Mr M and its representatives in November 2017. It maintains that thorough checks were done including substantiating the information

Mr M gave to it with supporting documents and additional calls to answer queries raised by those documents.

Mr M had at least five bank accounts: one with a building society ending *4527 and another with the same building society ending *6180, a high street bank account ending *8624 (everyday saver with zero balance), *7794 (everyday saver) and another ending *4449 (his main account into which his salary was paid). In the account ending *7794 (everyday saver), on 14 November 2017 Mr M had £130.

A great many transfers took place between those accounts on a regular basis. I have seen the documentation and the bank statements for most of them for about a month leading up to November 2017. So, I cannot say that I have a complete picture of Mr M's financial position in or around November 2017 as it is a complicated picture. But I have what PML had and I have carefully looked at it all.

The building society account current account ending *4527 had some returned payments registered and these were queried during one of the calls with PML and it was due to Mr M having just paid off a mortgage and so the direct debits to pay for it went out and were returned.

During that first call with PML, the representative knew from its own records that Mr M had had a secured loan with its sister company which I will refer to as 'sister company'. Mr M said that had all been paid off.

Mr M had said to the PML representative that he was relatively close to the flat renovation completion, at which point he was planning to re-mortgage completely 'next year' (meaning around April 2018) and pay it all off.

I have seen information relating to that sister company lending and I am aware that the reason Mr M was passed over to PML seemed to arise from the fact that the last secured loan Mr M had taken with the sister company the time before had got him to a 95% loan to value position. And so the sister company did not consider it could lend again.

This information would have been known to PML, alternatively, it was on notice of Mr M's previous accounts with its sister company and therefore it was information that was easily available to it. At the end of the first call with PML, the PML representative was reading to Mr M the options open to him in relation to term lengths (8 or 10 years), then it was clear that Mr M wanted it to be as cheap as possible (stretched out longer) as he had plans to re-mortgage the whole thing all over again.

I think that PML ought to have realised that his plan to re-mortgage it all again in Spring 2018 to pay it all off was not likely considering the high level of borrowing on the property up to that point – November 2017.

And overall its this conclusion I have come to: that PML was aware that he was very stretched, and it was aware that Mr M needed a lot of debt consolidation, and it was aware he had taken a series of other second mortgages and that his main mortgage had been refinanced relatively recently in 2017. It was aware he was sinking money into a renovation project which Mr M admitted had been costing more than he thought. He earned a decent salary at around £2,450 a month but it was not an extraordinary salary meaning Mr M was not in a position where his monthly wage was so high that he was in a comfortable position.

And although PML found a solution for Mr M, which was the substitution of paying several credit cards at the minimum monthly rate (around £332) for its own loan over a decade of £300 a month, the solution meant it was a marginal difference to Mr M of around £32 a month. I don't think it was a big help to him.

And whilst I appreciate that PML ought not to have given Mr M any advice on loans as that would involve a different category of FCA compliance and training for PML staff, the creditworthiness assessment was to be carried out from the borrower's perspective in line with the irresponsible lending rules. And this was a relevant, and in Mr M's case, a highly necessary element.

I am aware that PML did an income and expenditure (I&E) spreadsheet, a copy of which has been sent to me. It used £2,450 as his income figure each month. The total expenditure was £1,764 each month which included

- mortgage £487
- phones £62.70
- utilities £100
- TV £12.25
- Council Tax £80
- TV package £50
- Home insurance £36
- 'other' £148 – likely the car loan
- Food £169
- Unsecured loan £233
- Secured loans £386
- 'credit cards £0'

PML calculated that Mr M would have had about £685 disposable income each month. But I have a number of points to make about this I&E having considered all the information I have as a whole picture.

Nothing was included for any car insurance or petrol and it seems that PML had asked him about that, especially as one of his loans he had told them was for a car. And one of the recorded calls he had had with the PML representatives had been while he was driving. So, I can see that PML paid attention to detail. Mr M said in the last recorded call with PML that the car loan was to pay off an old car which was written off. The car he did drive was a company car. So that seems to explain the absence of car insurance and petrol from the I&E.

This I&E did not include a large enough sum for food in my view. Mr M said he was single but £169 a month for food seems low. There was no inclusion of the £332 being the minimum monthly repayments expected across his seven credit cards. For its entry in relation to 'credit card' it had recorded '£0'.

All his loans (secured and unsecured) excluding the main mortgage and not including the PML loan, and including the monthly credit card minimum repayments, would have been about £1,099 a month. I'd consider that to have been a high percentage of his net monthly income. Removing the minimum credit card payments and adding in the PML loan would have led to about the same figure – but then add in his main mortgage of £487, then that would have added up to around £1,554 which was a very high percentage.

PML had checked with Mr M about some payday loans. Mr M had explained at one point that one of the payday loans or high cost short term instalment loans with a well-known lender was a loan he'd taken out late Friday night when he had had to pay builders and needed some money fast. But – the credit file showed – and the versions PML obtained are the same - that he had been taking several of these sorts of loans over several years including:

- January 2016

- May 2016 (£993)
- June 2017 - two loans
- August 2017

The list above was for one company. He had just paid off two other high cost short term loan companies as well, and PML had asked for confirmation of those loans having ended. Added to which Mr M had used other high cost short term credit companies in February and June 2016. So, I think that PML was on notice that Mr M had not used it once or twice as an emergency builders' pay solution. I think the use of payday loans was more often than that.

And so, I think that Mr M's need for payday loans and high cost short term or instalment loans was more prevalent than PML thought and Mr M wanted PML to think. But the facts were there for PML to see at the time as I have deduced that when reading all the information together.

There was some evidence of gambling. For instance, on account ending *4449 from midOctober 2017 to mid-November 2017 Mr M spent about £450 on a betting and gaming website. PML knew of this as it had circled every single transaction of this nature in the copy bank statements I have seen. The PML representative had noticed it and asked him about it on the last call, and he was asked to send in more copy bank statements.

I asked Mr M about this element of his spending – through our adjudicator - and he has said it was not a problem for him. But I can't ignore that in my view £450 in one month was a lot when Mr M was so stretched with his finances. This had not been factored into the I&E and I am not sure whether Mr M sent in any additional bank statements after that last recorded call with PML.

Mr M's mortgage and re-mortgage explanations were very confusing and difficult to follow. So, I have accumulated all the information I have had from Mr M, from the recorded calls with PML, with our adjudicator, and from the credit file PML has provided to us from 2017 plus Mr M's personal credit file which was a useful cross – reference document. These next paragraphs address these issues. This is a provisional decision and so if Mr M can assist with checking this and/or sending a complete chronology to us that that may be helpful.

Mr M had said that he'd had the property since around 2009 and he had spent about £45,000 on the conversion from a one-bedroom property to a three bedroom, and three- bathroom property. He assured PML he had no plans to rent it out or to sell it. But he had also said he was single. The lists of mortgages follow in the next few paragraphs.

His main one was with the high street bank and he said that this was because he worked for that bank and his main bank account into which his salary was paid was an account with that bank. The record for mortgages with that bank provider shows it commenced September 2017 at £428 x 360 months (30 years) the starting balance being around £128,700. And the PML copy of Mr M's credit file shows it had been annotated by the PML representative, and it shows it had only just commenced in September 2017. It was still ongoing when he approached PML and was repaid in August 2020. This appears to have been settled in 2020 when he sold the property. But he has explained to our adjudicator that he had one with his building society before that and that building society one had paid off that one.

Another secured loan was listed as having a commencement date of August 2015, which was originally £316 x 264 months (22 years) which would have been £83,424 and was settled early in August 2016. It was replaced immediately with one taken August 2016 settled September 2017 being £160 x 252 months (21 years).

And Mr M took a second mortgage on 31 March 2016 the repayments for which were £258 x 96 months (8 years), which was settled April 2017 and another with the same provider had commenced December 2016 at £394 x 120 months (10 years) settled December 2017 and another taken October 2017 – just before applying for the PML loan. PML had annotated that entry and it was for around £21,000. That last second mortgage was settled October 2018 (which was after the PML loan) with a new one which was for £368 x 108 months (9 years).

And in the meantime, Mr M had used PML's sister company for another series of secured lending which were as follows: one taken January 2014 (opening balance around £31,000) and settled August 2015. Then 24 August 2015 £349 x 180 months (15 years) starting balance of £62,827 settled 29 November 2016. Then replaced with another immediately at £375 x 180 months (15 years) starting balance £67,658 settled 29 September 2017.

I asked our adjudicator to speak to Mr M about all these different and very confusing mortgages to try to get to the bottom of why he was doing this. And I have listened to the recording between Mr M and our adjudicator. In it he explained that the main bank mortgage he had at the time he was applying to PML had been used to repay another main high street building society mortgage. And then he did it more and then he had started with another company – Lender F – plus had been to PML's sister company as well. He said he'd got to the stage where he was '*robbing Peter to pay Paul*' and kept getting more and more credit from different sources.

And I have concluded that I am persuaded by Mr M's explanations and his credit history reveals it. I do not know the root cause of Mr M needing to constantly pay re-mortgage fees and high interest on mortgages, second mortgages and unsecured loans, but I suspect it was a combination of overreaching himself with the property renovation and some other debt issues. PML was aware of all of this and I consider that if I can piece together all the facts it had at the time and reach a conclusion of a man overreaching himself, then I think PML likely could have done as well.

And I'll go further, I think it had realised that Mr M may have been 'in too deep' as it was constantly asking him for more information, further documents and further explanations to explain elements of his finances.

Overall I think that Mr M has lost out by PML approving this loan for him over a ten year term when it had a marginal effect on his finances as a consolidation loan, and it followed on from a series of other lending showing Mr M was financially challenged. I plan to uphold Mr M's complaint.

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.

The reply date for the provisional decision was 28 October 2022. Mr M had responded and seemed to have accepted it. He has not corrected any of the factual matters listed and so it seems my acquisition of the facts from the information I had were correct.

PML has responded in detail and in fairness these have been summarised here and I have placed them in a table format so that I can address each one. I have used PML's wording for clarity in most of the summaries. The direct quotes are in italics. The reference to 'I' is the PML's representative writing the response submissions for PML.

PML has not corrected any of the facts and has agreed the complaint is reasonably complex. PML has said to me that its position remains the same : '*a reasonable, proportionate, and evidence-based assessment of Mr M's circumstances showed the loan was viable. Whilst no new evidence can be presented, a portion of the findings in your letter could be considered conjecture,...*'

PML's points following my provisional decision	My final decision on these points
PML agrees that it and the sister company to PML are sister companies but ' <i>the systems and resources used by the front-line staff are separate.</i> ' PML went on to say that the sister company	I make no comment on the companies' internal systems. I heard the PML staff member on the first recorded call with Mr M come back to Mr M after doing some research against his name, to say that he could see that Mr M had been known to its

<p>information relating to Mr M would not be relevant to the new unsecured loan Mr M was applying for.</p>	<p>sister company and that precipitated a conversation about Mr M's relationship with that other company. So the point here is that the PML representatives knew of this history and there had been quite a long history. As such it is highly relevant in my view.</p>
<p>PML has sought to differentiate between Mr M wanting to <i>'tidy everything up'</i> (meaning his finances) and <i>'consolidation'</i> of previous debts. PML says it was <i>'to tidy the credit into one repayment for ease of management and to finalise his home improvements'</i> and PML submitted:</p> <p><i>'I understand your comments that the consolidation amount was only marginally beneficial to Mr M, and understand this is subjective, I must disagree.'</i></p>	<p>I consider that debt consolidation and the PML adjective used of tidying everything up – even if adopted from Mr M's usage – is much the same. Mr M was seeking to combine a number of payments into one.</p> <p>And PML does seem to have accepted that the PML loan reduced Mr M's repayments each month by £32 and it was marginal. I agree that the £32 'saving' was marginal especially spread over a decade which really led to Mr M being more indebted than he had been for a long time into the future.</p> <p>PML says that my view that it was of 'marginal benefit' is subjective. Credit worthiness assessments are meant to have been carried out from the borrower's perspective and so that element of subjectivity is exactly what all the detailed financial assessment of an applicant's finances should be.</p>
<p>Mr M was employed at the bank <i>'in a senior position'</i> and so PML has said it would have expected Mr M to have had more knowledge than an <i>'average'</i> applicant. So PML says this <i>'...adds considerable weight to our argument that Mr M entered into the agreement having made an informed decision'</i></p>	<p>I have not investigated the seniority level of Mr M's role at his employer bank.</p> <p>My experience from handling irresponsible lending complaints for many years informs me that often those in unmanageable debt are unable to recognise it at the time. This was part of Mr M's explanations to us during the telephone calls to our adjudicator all of which I have listened to.</p> <p>And I note that Mr M was gambling. A factor about which PML has said nothing but I have explained in my provisional decision was likely significant sums and had been noted by PML at the time as it had circled each and every transaction identified as gambling in the bank statements it had seen. A person in a lot of debt who has taken to gambling can be an indication that the problem lies deeper. But PML in its answer to my provisional decision has not referred to it or addressed why it had annotated all the gambling transactions and not really got to the bottom</p>

	of that. Whereas I found it of relevance.
<p>PML has submitted that companies such as it offer credit to those <i>'applicants who may struggle to source credit elsewhere...'</i></p> <p>And goes on to say that a lot of people would be excluded from obtaining credit if companies such as PML were not around to lend.</p>	<p>All regulated firms must comply with the Financial Conduct Authority (FCA) CONC rules. I make no comment or finding in relation to the benefit or otherwise of particular lenders in the market.</p> <p>What I do say is that PML's submission on this point demonstrates to me that it is/was aware of the customer base it attracts and that the applicants coming to it may be people for whom obtaining credit is an issue. And so PML's awareness of that leads me to think that the credit worthiness assessment it is obliged to carry out ought to be all the more heightened.</p>
<p><i>In Mr M's case, we completed a search of credit reference agencies that showed there was a large number of accounts, though 80% of those found had since been settled.</i></p> <p><i>There were no defaults or CCJ's, no loans (secured or non-secured) with a payment status of 3 or worse in the last 2 years, and whilst there were several accounts with early arrears indicators, and one account with a sustained arrears indicator, the conduct had improved significantly over the prior 12 months.</i></p>	<p>The credit search details are what I have used, as I outlined in my provisional decision, and Mr M's history of the credit taken (secured, unsecured and high-cost payday or instalment loans) was extensive. I agree on that. And the content ought to have alerted PML to the fact Mr M was coming back again for additional borrowing and for the 'saving' of a nominal sum of £32 a month.</p> <p>And for such a large loan over a ten year period and with a very high level of interest attached to it I consider that obtaining a detailed understanding of Mr M's financial situation was warranted and proportionate. PML did obtain a lot of information but as it knows, the 'pounds and pence' calculations of his application were not the whole picture. I've made my points on this in my provisional decision.</p>
<p>PML knew Mr M had several short-term high interest loans but they had been managed well <i>'...with no suggestion any existing loan would not be handled in the same manner.'</i></p>	<p>I refer to my provisional decision findings on these points.</p>
<p>PML is not qualified to offer an opinion on home improvements</p>	<p>I agree. But PML was aware that it was all costing Mr M more than he had thought. It was useful background information. There's no suggestion that PML was being asked to give an opinion on Mr M's home improvements.</p>

<p><i>Mr M had shown previous credit had been consistently settled in short time. Though Mr M has later told the adjudicator he was "Robbing Peter to pay Paul" and was frank about his struggles after the fact, PML could only act on the information and evidence available to us at the time.</i></p>	<p>I have demonstrated in my provisional decision that PML had a great deal of information about Mr M at the time he applied to it for the loan. And as I have said earlier, PML has not disputed much of the factual information I have outlined in that provisional decision.</p>
<p>PML has referred to several points made in the provisional decision about the expenditure list and that relating to food, it had no reason to challenge that sum.</p> <p>PML has pointed out that the seven credit cards were consolidated as part of its own loan and that was the reason the minimum payment for all the cards was included in its one I&E calculations</p>	<p>I make no further comment tot hat already made in my provisional decision on the expenditure list</p> <p>I thought that was likely the case. But I refer to the points made in the section of this grid below.</p>
<p><i>As I positioned earlier in my email, though I appreciate the reduction in monthly outgoings was nominal, the primary purpose of lending was satisfied, and there was still a reduction in outgoings that should eased the monthly pressure Mr M was experiencing when completing his home improvements.</i></p>	<p>I disagree and refer to the provisional decision to explain why.</p> <p>All Mr M's loans (secured and unsecured) excluding the main mortgage and not including the PML loan, and including the monthly credit card minimum repayments, would have been about £1,099 a month.</p> <p>I'd consider that to have been a high percentage of his net monthly income.</p> <p>Removing the minimum credit card payments and adding in the PML loan would have led to about the same monthly expenditure figure – but then if I add in his main mortgage of £487, then that would have been around £1,554 which was a very high percentage of his income and one I'd consider unsustainable over a decade.</p>
<p><i>'the loan to income ration [sic] was just less than 60%, which I do not feel is excessive, especially considering Mr M had a further £5,000.00 surplus amount each year from his company as a bonus that could be used to supplement his spending and by extension, quality of life.'</i></p>	<p>60% loan to income ratio is high in my view.</p> <p>And PML has specifically noted at the time of Mr M's application that the £5,000 a year bonus obtained by Mr M was not included in its credit worthiness assessment. It referred to it as 'surplus income' and had noted that it was not included as 'income'. And so I do not consider it right that I should have included it too.</p> <p>And further, that £5,000 bonus each year was never verified and if it had been and/or included in the assessment it suggests to me that Mr M was in deeper trouble than</p>

	originally explained to PML at the time, as I think that a PML loan assessor would have questioned why Mr M would have wanted to take a further very high cost loan for £10,000 over a decade when he had a £5,000 bonus due a few weeks later than his application date in November 2017. So, if that £5,000 element is to be addressed as part of this complaint then that is my view on it.
<p>PML has said that on its calculations Mr M would have had about £400 a month of disposable income after meeting all his credit commitments and the PML loan too. So the loan was sustainable.</p> <p>It refers to the £5,000 bonus payment due in February each year again.</p>	<p>On the £5,000 bonus payment I refer to all the points made on that in my previous section. It is not right that not having been considered in 2017 now PML is saying it should be. And if it was, then I repeat what I said before.</p> <p>And the £400 a month disposable income does not account for the gambling transactions which I think may have been more of an issue than PML has said but it noted them at the time as each transaction was circled.</p>
PML has referred to the possibility of a rental income on the property	I do not consider this to have been relevant at the time the loan application as being assessed as the property was being renovated, not in a state to rent out and it was Mr M's home. PML has suggested that I have indulged in conjecture and I think this is an element of conjecture in its submissions.

PML has asked me to reconsider my findings and the redress. I have and my provisional findings are repeated here and are made final, together with the additional points I have made about PML's recent submissions.

For the reasons given in my provisional decision and in this final decision I uphold Mr M's complaint.

Putting things right

The loan was paid off and so the redress is relatively straightforward. PML should do as follows:

- refund all interest and charges Mr M paid on the loan;
- 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 the loan from Mr M's credit file;

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

My final decision

My final decision is that I uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 November 2022.

Rachael Williams
Ombudsman