

The complaint

Miss F says Loans 2 Go Limited irresponsibly lent to her.

What happened

Miss F's complaint is about a loan provided by Loans 2 Go. The loan was taken out in February 2021 in the sum of £250 repayable over a term of 18 months.

Miss F complains that Loans 2 Go irresponsibly lent to her.

Our adjudicator didn't uphold the complaint. He thought that Loans 2 Go had carried out reasonable and proportionate checks before lending the money and that there was nothing in the information obtained from the checks which meant that it shouldn't have lent to Miss F.

Miss F disagreed with the adjudicator, so the complaint has been passed to me for a decision.

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 general approach to complaints about unaffordable and irresponsible lending including the key relevant rules, guidance and good industry practice are set out on this service's website.

Loans 2 Go needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice, this means that it should've carried out proportionate checks to make sure Miss F could afford to repay what was being lent in a sustainable manner.

There isn't a set list of checks that a business needs to carry out. Loans 2 Go needs to make sure that checks are reasonable and proportionate when considering things like how much was being lent, the repayment amount and the consumers income and expenditure.

Less detailed affordability checks are reasonable and proportionate where a consumers financial position is stable and where borrowing is insignificant given the consumers overall financial circumstances.

I can see that when Miss F applied for the account she declared monthly income of £1324. Loans 2 Go verified this by checking Miss F's payslips. It also carried out checks on Miss F's credit file and found nothing which gave them cause for concern about Miss F's financial situation. Loans 2 Go calculated Miss F's monthly expenditure to be around £969 not including the loan repayment of £57. Based on the information it obtained, Loans 2 Go assessed the loan as affordable for Miss F.

I've thought about whether the checks carried out by Loans 2 Go were reasonable and proportionate. I haven't seen anything to suggest that Loans 2 Go should've carried out further checks. Miss F has said that Loans 2 Go should've checked her bank statements

before approving the loan. There's no obligation on Loans 2 Go to do this, and I'd only expect it to do so if the information it had already obtained gave it cause for concern about Miss F's financial situation. Based on what I've seen, I think the checks were reasonable and proportionate, and there was nothing in the information obtained which suggested that Miss F wouldn't be able to repay the lending in a sustainable manner.

For the reasons I've explained, I'm unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 5 November 2022.

Emma Davy
Ombudsman