

The complaint

Mr P complains that Loans 2 Go Limited (“L2G”) lent to him when it shouldn’t have.

What happened

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

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.

L2G is aware of its obligations under the rules and regulations in place at the time of this lending decision, including the Consumer Credit Sourcebook (“CONC”), so I won’t repeat them here. But, briefly, it was required to carry out sufficient checks to ensure that Miss B would be able to repay the borrowing applied for in a sustainable way. As set out in CONC 5.3.1G(2) that means that he could manage the repayments,

“...without...incurring financial difficulties or experiencing significant adverse consequences”

Having considered all the information in this case, I’m not upholding this complaint. I’ve set out my reasons below:

- It was Mr P’s first loan and this loan repayment represented a small portion of his income.
- The results of the credit search didn’t reveal any concerning details. From what I can see Mr P only had one credit account with an outstanding balance which he was up to date on repaying. Mr P’s other recorded credit accounts were telecommunication providers. He was also up to date on his payments on those accounts.
- There was nothing revealed within the checks L2G carried that should have prompted it to take it checks further and the outcome of the reasonable checks it carried out showed Mr P could afford the loan repayments over the term as he had sufficient disposable income.
- L2G in its final response offered to reduce the interest on the outstanding balance by 40%, Mr P should contact L2G directly to see if the offer is still available should he wish to accept it.
- I note there is still an outstanding balance on the account and would remind L2G to treat Mr P positively and agree a suitable repayment plan should he require assistance.
- Overall, I think L2G did enough before lending and it wasn’t wrong to lend to Mr P and so I won’t be asking it to do anything further.

My final decision

For these reasons, my decision is that I don't uphold this complaint or make any award against Loans 2 Go Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 22 December 2022.

Oyetola Oduola
Ombudsman