

## **The complaint**

Mr A complains that Santander UK Plc ('Santander') irresponsibly gave him a loan that he couldn't afford.

## **What happened**

On 1 May 2008, Mr A applied for a loan with Santander. The loan amount was £11,000, the term was 60 months and the monthly repayment was £248.97, not including the payment protection insurance. The account defaulted 16 June 2009.

In 2022, Mr A complained to Santander to say that the loan shouldn't have been opened for him because it wasn't affordable and that Santander ought to have made a better effort to understand his financial circumstances before providing him with credit.

Our adjudicator didn't recommend the complaint be upheld. Mr A didn't agree. So, the complaint has been passed to me to decide.

## **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.

I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Santander will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Mr A's complaint is that Santander made credit available that was unaffordable. It is not straightforward trying to determine affordability because Mr A has not been able to provide any bank statements from the times in question or any credit information from the times. So, I have no way of knowing the volume of any credit Mr A may have had or how Mr A was managing any existing credit he had at the time the lending decisions were made.

I have considered the monthly repayments in relation to the income Mr A told us he had at the time and this is insufficient to make the loan automatically unreasonable. I say this because the monthly payment for the loan itself was £248.97. And when bringing his complaint to us Mr A told us his take home income in May 2008 would have been £1350 per month.

In thinking about this complaint, I have also noted that Mr A told Northampton County Court in September 2009 that he had been unemployed for nine months. Whilst this

information doesn't shed any light on the affordability of the loan in May 2008, it explains that there were other factors at work which lead to the loan defaulting in June 2009.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr A to the contrary, I have seen insufficient evidence to think that more thorough affordability checks would have led Santander to think that the credit it provided Mr A was unreasonable.

I know that Mr A will be disappointed with my decision, but I want Mr A to know that I considered all the submissions made in this case. Having done so, I have not found sufficient evidence to uphold this complaint.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 May 2023.

Douglas Sayers  
**Ombudsman**