

## The complaint

Miss F has complained to us about the irresponsible sale of loans given by Commsave Credit Union Limited ('Commsave').

## What happened

Commsave thought the lending decisions were reasonable. Miss F didn't agree and brought her complaint to this service. One of our investigators looked at everything provided and thought that this was a complaint that we couldn't uphold. Miss F objected to the outcome reached by the investigator. So, the complaint was referred to an ombudsman for a review.

## 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".

Commsave 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.

Our investigator detailed the loans as follows:

|        | Application Date | Loan Amount |
|--------|------------------|-------------|
| Loan 1 | 13/05/2020       | £500        |
| Loan 2 | 30/12/2020       | £700        |
| Loan 3 | 05/02/2021       | £500        |
| Loan 4 | 07/03/2021       | £1,000      |
| Loan 5 | 21/05/2021       | £4,000      |
| Loan 6 | 15/06/2021       | £1,000      |
| Loan 7 | 04/08/2021       | £1,500      |

Our investigator's assessments provided a detailed account of the increases and suspensions of credit, and they are summarised above. Neither party has called the specifics into question, so, I don't intend to cover them off here.

Miss F's complaint is that Commsave made credit available that was unaffordable. Commsave has explained that it relied in part on information that Miss F provided at the time of application to assess affordability. They said they carried out credit searches in Miss F's name to assess Miss F's level of debt at the times of each lending decision and to understand how she had been managing that debt. With that information and using their

own scoring metric, Commsave decided to agree to the loans above. Commsave also asked Miss F to provide income and expenditure information which also was factored into the lending decisions. Commsave has told us they had not approved every request for borrowings made by Miss F. So, the lending was not indiscriminate.

The Commsave checks showed that Miss F had only a modest amount of other borrowings compared to her declared income and her declared disposable income at the time of each lending decision.

And I have noted that Miss F's credit file was reasonably clean at the time of each loan application. When I say this, I mean that Miss F's management of her existing credit showed no recent history of CCJ's, defaults or any late payments. And so, I don't think that the information that Commsave had at the time of the lending decision, would have led them to feel they ought to make more searching enquiries of Miss F's financial situation. And in addition, the information that Commsave had presented to it and which it acquired, suggested that at the time the lending decisions were made, Miss F was affording her existing credit. And her declared disposable income would not have seemed unreasonable in themselves and for the lending provided. So, Commsave were not put on notice of any reason not to agree any of the lending requests it agreed to from any of the above.

Miss F has explained that she had a gambling habit at the time which was the prime cause of her existing borrowings and the borrowings with Commsave. But Miss F also told us that she had not told Commsave about the gambling habit. And, as discussed above, the gambling habit had not led Miss F to blemish her credit file at the time she applied for the loans.

I have to look at the information that was available to Commsave at the time they made their lending decisions and not to use hindsight. Commsave was not made aware of the habit at the time the loans were made. And I have seen insufficient evidence that the other information that Commsave acquired or had presented to it at the time of the lending decisions, would have led them to think that they were remiss in not checking Miss F's expenditure more closely.

So, having considered all the submissions made in this case, I have seen insufficient evidence to think that the credit Commsave provided to Miss F was unreasonable.

I know that Miss F will be disappointed with my decision, in itself and because she has invested time and energy in pursuing her complaint. But I want Miss F to know that each case is determined on the individual merits of that particular complaint. And that I have considered all the submissions made in this case. And having considered all the submissions in this case, particularly those concerning the time of the lending decision, I have not found sufficient evidence to uphold this complaint.

### **My final decision**

For the reasons given above, I am not upholding this complaint.  
Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 31 July 2023.

Douglas Sayers  
**Ombudsman**