

The complaint

Mr L complains that Oplo PL Ltd lent him a loan he couldn't afford.

What happened

The background to this complaint is well known to both parties so I won't repeat them here.

Our adjudicator didn't uphold Mr L's complaint as he thought Oplo had done enough before lending. Mr L disagreed, he said he was a compulsive gambler and proper checks would have shown Oplo that, he also said his disposable income after repaying the loan was insufficient.

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.

Oplo is aware of its duty to lend responsibly – by carrying out borrower-focused checks to ensure Mr L could repay the loan over the term.

Oplo has provided evidence to show it asked Mr L about his monthly income, living costs and credit commitments. To verify some of this information, Oplo requested Mr L's bank statements and searched his credit file. The bank statements showed Mr L received a regular income, the lowest payment over the three months before the loan was around £1,636. The credit file showed Mr L's credit commitments were broadly well managed and even though he was at the limit on one of his credit cards, his credit commitments were around £279 a month. Overall, the checks showed Mr L would have around £211 in disposable income after repaying the loan.

Looking at the circumstances around the loan and what Oplo's checks revealed, I think the checks went far enough. I say this because, Oplo didn't just take what Mr L told it, it took steps to verify some of the information it was given. It requested Mr L's bank statements which showed his income and some of his living expenses. Those bank statements didn't have anything concerning on them like gambling transactions.

I haven't seen anything from the information Oplo did see that should have prompted it to request more information. Mr L didn't tell Oplo he had a gambling problem, and this wasn't something Oplo discovered from what I consider to be proportionate checks in the circumstances.

Mr L has said the disposable income he was left with was insufficient. Mr L told Oplo the loan was for debt consolidation and although Oplo doesn't appear to have worked out what debts he was consolidating, it seems to have presumed the consolidation would have put Mr L in a better financial position overall. Even without working out what the debt consolidation meant for Mr L's finances overall, he was left with over £200 in disposable income.

I know Mr L believes this amount is insufficient, but I think given the checks Oplo carried out,

it wasn't unreasonable for it to think the disposable income was sufficient for any emergencies Mr L may have encountered during the term of the loan. Also, I note Mr L shared household bills with his partner who also had an income, I think that likely gave him more scope on his finances.

Oplo's checks showed Mr L could reasonably afford to repay the loan over the term. I appreciate Mr L has now encountered difficulties repaying the loan as he struggled to keep up payments since the pandemic but in my view, this wasn't something that was due to Oplo's lending when it shouldn't have.

I appreciate Mr L feels strongly about his complaint and will likely be disappointed but based on the information I've seen, I don't think Oplo acted unfairly and I won't be asking it to write off the debt.

My final decision

For the reasons given above, I don't uphold this complaint or make any awards against Oplo PL Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 7 June 2023.

Oyetola Oduola
Ombudsman