

The complaint

Mr G complains that Oplo PL Ltd trading as Oplo lent to him irresponsibly.

What happened

In February 2022 Mr G applied for a loan. Oplo approved the application and gave Mr G a loan for £5000 repayable over 60 months.

In December 2022 Mr G applied for a second loan to consolidate loan 1 as well as some other debts. Oplo approved the application and gave Mr G a loan for £10,000 repayable over 60 months,

Mr G initially complained to this service about loan 1. This was considered as a separate complaint, so I won't be addressing it further in this decision.

Mr G complained that loan 2 had been lent to him irresponsibly.

Oplo didn't uphold the complaint. It said it had carried out proportionate checks before lending to Mr G.

Mr G remained unhappy and complained to this service.

I issued a provisional decision in which I explained why I wasn't upholding the complaint. I explained that before agreeing to lend, Oplo needed to carry out reasonable and proportionate checks to ensure that Mr G could sustainably repay what was being lent to him.

I looked at the checks that Oplo had carried out. It gathered information about Mr G's income and expenditure and carried out a credit search. The credit search showed that Mr G had 9 active credit accounts with unsecured debt of around £27,463. Around £10,000 of this debt was to be consolidated by the loan with Oplo. The credit checks showed that Mr G was managing all of his credit accounts well – there were no missed payments, no defaults and no arrears on any of the active accounts.

I looked at the affordability assessment that Oplo had carried out. This showed that Mr G had monthly disposable income of around £497. So, it appeared that the loan repayment of £269 would be affordable for Mr G.

I said that because Mr G was using around 48% of his monthly income to repay debt, it would have been proportionate for Oplo to have carried out further checks to get a better understanding of Mr G's financial circumstances. I went on to consider what further checks would have shown. I looked at Mr G's bank statements for the period leading up to the lending decision because I think this gives a fair indication of Mr G's financial circumstances at the time.

The bank statements show that in the month prior to the lending decision, Mr G made 6 gambling transactions totalling £265. Mr G has said that this shows he had a gambling problem and that Oplo shouldn't have lent to him. I wasn't persuaded that this was the case.

I haven't seen enough information to show that Mr G was gambling at this level month on month. There wasn't enough information to show that Mr G had a gambling problem or that he spent regularly on gambling.

So, with that in mind I thought about whether, had it seen the 6 gambling transactions, Oplo would have reached a different decision on the loan. And on balance, I concluded that Oplo would still have lent to Mr G, because although his debt to income ratio was high, Mr G had sufficient monthly disposable income to afford the loan repayments.

I invited both parties to let me have any further evidence or arguments they wished to raise.

Mr G responded and said he disagreed with my provisional decision. He said he'd had a similar case upheld by this service.

Oplo responded and said it had nothing further to add.

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 taken on board what Mr G has said and I appreciate that he was disappointed by my provisional decision because the outcome was different to another of his complaints. However, this service considers every case on its own circumstances and merits.

I haven't been provided with any further information which has persuaded me to change my view. So I see no reason to reach a different conclusion to that which I reached in my provisional decision.

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 Mr G to accept or reject my decision before 31 August 2023.

Emma Davy
Ombudsman