

## **Complaint**

Mr L has complained that Match the Cash Limited (“Match the Cash”) trading as [www.gurantorloan.co.uk](http://www.gurantorloan.co.uk) unfairly brought about an unaffordable guarantor loan for him. He says proper affordability checks weren’t carried out and if they had been it would have been clear that the loan was unaffordable.

## **Background**

Match the Cash operated the electronic system in relation to lending which led to Mr L being provided with a guarantor loan in August 2020. The loan was for £5,000.00. The loan had a 36-month term and an APR of 69.1%. This meant that the total amount of £10,148.40, including interest and other charges of £5,148.40, was due to be repaid in 36 monthly instalments of just over £280.

Mr L’s complaint was reviewed by one of our investigators. He thought that Match the Cash didn’t act unfairly when deciding to provide this loan. As Mr L disagreed with our investigator’s view, the complaint was passed to an ombudsman.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Mr L’s complaint.

Having carefully considered everything, I’ve not been persuaded to uphold Mr L’s complaint. I’ll explain why in a little more detail.

Match the Cash needed to carry out proportionate checks to be able to understand whether Mr L could afford to make the loan payments before bringing about this guarantor loan for him.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for checks to be less thorough – in terms of how much information is gathered and what is done to verify it – in the early stages of a lending relationship.

But we might think more needed to be done if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect an operator of an electronic system in relation to lending to be able to show that it didn’t continue to arranging loans irresponsibly.

Match the Cash enquiries into Mr L’s circumstances suggested that he was employed and earning around £2,600.00 a month. I also understand that Match the Cash also carried out a credit check which showed Mr L had had historic difficulties with credit but no current

repayment problems and the amount that he did owe wasn't excessive in comparison to his income either.

Match the Cash asked for a copy of a recent bank statement and also obtained some information on Mr L's living expenses from him too. And everything gathered did suggest that Mr L would be able to make the repayments to his loan.

As was Mr L's first loan with Match the Cash, I don't think that it was unreasonable for Match the Cash to rely on the information provided. Furthermore, even allowing for this there appears to have been a reasonable margin left over to make the loan payments. And while I've thought about what Mr L has said about his cash withdrawals and transfers to another account, as he still appeared to be meeting his existing commitments out of the account he provided the statement for, I don't agree that Match the Cash needed to ask for further information.

I appreciate that Mr L says he was gambling and that this meant he shouldn't have been lent to. But even if Mr L was gambling, it's clear that he took steps to conceal this by using cash from withdrawals and making any transactions from a different account. So I can't reasonably say that Match the Cash ought to have been aware of this, or that it could and/or should have factored this into its decision on whether to arrange this loan.

I accept that Mr L might have had difficulty making the payments to this loan and it's possible that his circumstances did worsen and I'm sorry to hear this. But I'm satisfied that Match the Cash's check before approving this loan were proportionate. And the information gathered suggests that Mr L could afford the payments.

I also think that I should explain that it's only fair and reasonable for me to uphold a complaint in circumstances where a respondent firm did something wrong. And, in this case, I don't think that Match the Cash did anything wrong when bringing about Mr L's loan. The key thing here is that it carried out proportionate checks which suggested the repayments would be affordable for him.

I've also seen what Mr L has said about it being unfair that he was declined for a loan for the same amount over a shorter term. Match the Cash has explained that this was because the payments Mr L would have had to make to a loan with a 24 month, rather than 36-month term was over £50 a month more. This is because even though Mr L would pay less interest over two years the amount he'd have to pay each month towards the amount he borrowed was much higher over a term that was a third less.

So while Mr L is unhappy that he was accepted for a loan with a higher total cost, it appears as though Match the Cash wasn't prepared to accept the risk of Mr L having to make higher monthly repayments. And this was a decision it was entitled to take.

Furthermore, as Mr L continued with his application even though the increased total cost was detailed on the loan agreement that he signed, I can only assume that he was prepared to accept the loan on these terms. And while I accept that he may now regret doing so, I can't reasonably conclude that Match the Cash acted unfairly towards him in this regard.

So overall and having carefully thought about everything, I'm satisfied that Match the Cash didn't treat Mr L unfairly or unreasonably when bringing about his guarantor loan. As this is the case and while I sympathise with Mr L as a result of any difficulties he might have gone on to have, I'm afraid that I'm not upholding his complaint. I appreciate this will be very disappointing for Mr L. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

**My final decision**

For the reasons I've explained, I'm not upholding Mr L's complaint.

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

Jeshen Narayanan  
**Ombudsman**