

## **The complaint**

Mr S complains that Harvey & Thompson Limited trading as H&T Pawnbrokers irresponsibly lent to him.

## **What happened**

H&T lent Mr S a loan for £1,000 in September 2018, the loan was due to be repaid in 13 instalments of £131.65 and Mr S fully repaid the loan in September 2019.

When Mr S complained, H&T didn't uphold his complaint as it said it carried out sufficient checks and those checks showed Mr S could afford the loan. Mr S didn't accept what H&T said so he referred his complaint to the Financial Ombudsman Service where it was looked at by one of our adjudicators.

Our adjudicator looked at what both parties said and didn't think H&T had irresponsibly lent to Mr S. Mr S disagreed.

## **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.

We've set out our general approach to complaints about short-term lending - including all of the relevant rules, guidance and good industry practice - on our website.

H&T needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr S could afford to repay the loan in line with relevant regulations.

H&T has provided evidence to show it asked Mr S about his income and living costs, it searched his credit file and also saw his bank statements before agreeing to lend this loan. I've thought about these checks, and they went far enough in the circumstances. These checks gave H&T the opportunity to get a good understanding of Mr S' circumstances at the time.

Mr S' bank statements showed his income was between £1,500 - £1,700. It also showed he was repaying another loan which appears to be a car loan and he had other credit card debt which he was repaying. From what I can see, after his living costs and repaying his other credit accounts, Mr S was left with sufficient disposable income to repay this loan. So, I don't think H&T lent to him when he couldn't afford to repay.

Mr S' representatives have said Mr S wasn't left with sufficient disposable income as he had a high utilisation of his credit card and was also repaying the car loan. The results of H&T's credit check showed Mr S had a total revolving credit balance of around £1,700 and his bank statement confirm the repayments towards the car loan. The repayments towards these accounts were around £450, Mr S declared his total living expenses as £137, and H&T worked out that his actual living costs were around £680. Taking into account Mr S' income, even at the lower end, this would have left him with sufficient disposable income to afford the repayment of this loan over its term.

H&T carried out detailed checks and reacted to the information it found. Those checks showed Mr S could afford the loan repayments without suffering financial detriment. In the circumstances, H&T didn't unfairly lend Mr S this loan. So, I won't be asking it to take steps to put things right here.

### **My final decision**

For the reasons given above, I do not uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 February 2024.

Oyetola Oduola  
**Ombudsman**