

The complaint

Mr B complains that Chetwood Financial Limited trading as Live Lend ('Live Lend') irresponsibly gave him two loans that he couldn't afford.

What happened

On 21 May 2019, Mr B asked for and was given a loan for £1,000 which had a term of 12 months and a monthly repayment of £97.38. On 21 April 2020, Mr B asked for and was given a loan for £2,000 which had a term of 42 months and a monthly repayment of £76.22.

In 2023, Mr B complained to Live Lend to say that the loans shouldn't have been opened for him because they weren't affordable and that Live Lend ought to have made a better effort to understand his financial circumstances before providing him with credit. Live Lend declined to uphold the complaint. And Mr B brought his complaint to this service.

Our investigator thought the complaint should be upheld in part. Our investigator did not uphold the complaint about the first loan. Both parties accepted that. Our investigator thought the second loan should be upheld. Live Lend disagreed with that. So, the complaint was passed to me to decide.

I issued my provisional decision in respect of this complaint on 4 December 2023, a section of which is included below, and forms part of, this decision. In my provisional decision, I set out the reasons why it was my intention not to uphold Mr M's complaint. I set out an extract below:

"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".

Live Lend 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.

There is no argument about the first loan being reasonable lending so I will say little about it in this decision. I will say that I thought the checks were proportionate for such a modest loan and the lending was not unreasonable. There is disagreement about the reasonableness or otherwise of the second loan.

Mr B's complaint is that Live Lend made credit available that was unaffordable. Live Lend has explained that it relied in part on information that Mr B provided at the time of

application to assess affordability. Mr B completed a short income and expenditure exercise as part of the application. Mr B declared an income that was not modest both in itself and in relation to the modest loan amount. Live Lend cross referenced the declared income through an agency that checks that against payments made into Mr B's bank account. This check confirmed the declared income as being accurate. The income was sufficient to underpin such a modest loan amount.

Mr B's declared expenditure was not fully rendered at the time of the application. But Live Lend had lent to Mr B in the previous year with, I believe, no history of financial difficulty. So that and the fact that Mr B lived at home with his parents suggests that the empty expenditure may have seemed less significant when considering lending to someone the lender had an existing relationship with, rather than considering lending to a customer for the first time.

But Live Lend also carried out a credit search in Mr B's name to assess Mr B's level of debt at that time and to understand how he had been managing that debt. With that information and using their own scoring metric, Live Lend decided to agree to the loan.

The Live Lend checks showed that the extent of Mr B's existing borrowing was not such that it made any further lending automatically unreasonable. And Mr B's credit file was largely clean at the time of the loan application. When I say this, I mean that Mr B's management of his existing credit showed no recent history of CCJ's, defaults or any late payments. Mr B provided us with his credit report which confirmed that the checks made by Live Lend at the time of the application were not incorrect.

So, it would have seemed to Live Lend from the information they had from credit reference agencies that, at the point that the lending decision was made, Mr B was affording his existing credit. And so, Live Lend were not put on notice of any reason not to agree the lending from that. And so, I don't think that the information that Live Lend had at the time of the lending decision, would have led them to feel they ought to make more searching enquiries of Mr B's expenditure.

I cannot use hindsight in deciding complaints about unaffordable lending. I have seen no evidence that Mr B made Live Lend aware of his gambling at the time the second loan was applied for. And neither Mr B's management of his first loan nor his management of his other borrowings had been adversely affected by it at the time the second loan was taken out. So, I don't think that Live Lend had any reason to make further enquiries before lending or to have avoided the loan.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr B to the contrary, I have seen insufficient evidence to think that Live Lend were at fault for not making more searching enquiries into Mr B's circumstances before lending him the modest amount they did in 2020. For the same reason I do not think the loan Live Lend provided in 2020 was unreasonable (for either loan for that matter).

I have considered all the submissions made in this case, particularly those that inform the time of the lending decision. Having done so, I have not found sufficient evidence to uphold this complaint. I have seen insufficient evidence to think that the credit Live Lend are responsible for was unreasonable."

I asked the parties to the complaint to let me have any further representations that they wished me to consider by 15 December 2023. Live Lend has acknowledged the provisional decision and has accepted those findings. Mr B's representatives asked for an extension and an extension was agreed to 22 December 2023.

At the time of writing, I have received no further submission or any further request for an extension to do so. So, I am proceeding to my final decision.

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.

Having done so afresh, as neither party has provided any new information or argument for me to consider following my provisional decision, I have no reason to depart from those findings. And as I've already set out my full reasons (above) for not upholding Mr B's complaint, I have nothing further to add.

So, having looked again at all the submissions made in this complaint, I have still seen insufficient reason to uphold the complaint.

My final decision

For the reasons set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 January 2024.

Douglas Sayers
Ombudsman