

## **The complaint**

Miss M complains that Omni Capital Retail Finance Limited ('Omni Capital') irresponsibly gave her a loan that she couldn't afford.

## **What happened**

On 24 January 2022, Miss M applied for a loan with Omni Capital. The loan was for £3,990 before interest and the monthly repayment was £128.09 in the first month followed by £127.76 over 35 months. Miss M got into financial difficulty with the loan.

In 2023, Miss M complained to Omni Capital to say that the account shouldn't have been opened for her because it wasn't affordable and that Omni Capital ought to have made a better effort to understand her financial circumstances before giving her credit.

Our investigator recommended the complaint should not be upheld. Miss M disagreed and so, the complaint has been passed to me to decide.

## **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 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".

Omni Capital 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.

Miss M's complaint is that Omni Capital made credit available that was unaffordable. Omni Capital has explained that it relied in part on information that Miss M provided at the time of application to assess affordability.

Omni Capital said the application data was a starting point for its decision making. Omni Capital said they carried out credit searches in Miss M's name to assess Miss M's level of debt at the time of the lending decision and to understand how she had been managing that debt. With that information and using their own scoring metric, Omni Capital decided to agree to the loan in 2022.

And I think there was insufficient evidence from the credit check that was performed for Omni Capital to think that Miss M was already in financial difficulty. I've noted that credit check suggested that Miss M was managing her existing credit. And the credit report that

Miss M submitted to us during this complaint seems to confirm the evidence that Omni Capital found in 2022.

So, in my opinion, the information about Miss M's existing credit would have suggested that, at that time, Miss M was managing her existing credit. And the existing credit was not so large that Omni Capital should have avoided providing Miss M with any further credit or that they should make more thorough searches of Miss M's circumstances before doing so.

In saying that I have noted that the loan amount was relatively modest and the monthly payments for the loan were not unreasonable in relation to the declared income. The Omni Capital checks showed that Miss M had only a not immodest amount of other borrowings compared to her declared income. And I don't think the new credit when added to the existing borrowing made this credit unreasonable. So, the lending looked to be affordable and reasonable at the time.

I know that Miss M will be disappointed with my decision, as she has put time and energy into her complaint. I want Miss M to know that I considered all the submissions made to us in this complaint. But having considered all the submissions in this case, I have not found sufficient evidence to uphold this 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 Miss M to accept or reject my decision before 6 May 2024.

Douglas Sayers  
**Ombudsman**