

## The complaint

With the help of a professional representative (PR), Ms W complains that Marsh Finance & Commercial Ltd lent to her irresponsibly. For ease, I'll refer to the actions of the PR as being those of Ms W.

## What happened

On 16 February 2022, Ms W entered into a Hire Purchase agreement (HP) with Marsh. It was agreed on the following terms:

Cash price	Amount of credit	Term	Repayment amount	Total payable
£9,616.79	£9,616.79	60 months	£219.90	£13,156

Ms W made all payments in full and on time until and including May 2024. On 17 June 2024 a settlement figure was produced showing £6,277.97 to repay the agreement in full. A payment of £5,409.60 was made leaving a shortfall of £868.37. Since then, Ms W has been paying £72.36 each month since to clear the shortfall.

On 2 June 2024, Ms W complained to Marsh. She said it had failed to carry out reasonable and proportionate checks on her application. She said she had debts elsewhere and had recently missed payments. As a result of this agreement, she had since taken out other credit reflecting a *"dependency on borrowing"*. Ms W says Marsh had been irresponsible when it lent to her. To resolve her complaint, Ms W requested the removal of interest from the agreement, a refund of interest paid plus 8% interest, and a removal of any adverse information registered on her credit file.

Marsh looked into Ms W's complaint and issued a final response letter. It said it had carried out a credit check and Ms W had met its' policy and scoring rules. Her application passed its *"auto-affordability checks"*. Its sales team spoke to Ms W and she confirmed she was *"unaware of any reason why the monthly contractual payments would not be affordable"* for her. Marsh didn't uphold the complaint.

Ms W didn't accept Marsh's response, so she referred her complaint to our service. One of our investigators looked into it and was satisfied that Marsh had carried out reasonable and proportionate checks and, ultimately, reached a fair decision to lend to Ms W. He didn't uphold the complaint.

Ms W didn't agree with our investigator, so as there was no agreement, the complaint has been passed to me for a 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.

We've set out our approach to complaints about irresponsible and unaffordable lending on our website – including the key relevant rules, guidance, good industry practice and law. I've considered this approach when deciding this complaint.

Marsh needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Ms W irresponsibly. I think there are key questions I need to consider in order to decide what is fair and reasonable in the circumstances of this complaint:

- Did Marsh carry out reasonable and proportionate checks to satisfy itself that Ms W was in a position to sustainably repay the HP?
  - If not, what would reasonable and proportionate checks have shown at the time?
- Did Marsh make a fair lending decision?
- Did Marsh act unfairly or unreasonably towards Ms W in some other way?

Marsh had to satisfy itself that Ms W would be able to repay the HP sustainably. It's not about Marsh assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on her. There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the agreement, the amount of the monthly repayments and the overall circumstances of the borrower.

Marsh explained the steps it took with Ms W's application in its final response as described above. She declared her income as being £15,791. In line with many other lenders and allowed by the regulations, Marsh used an estimate of Ms W's expenditure to assess whether the HP would be affordable for her. It calculated her expenditure as being £704 per month.

Ms W's credit report showed she had relatively little credit elsewhere – totalling around £900. She had no defaulted accounts or County Court Judgements, and the records show she passed Marsh's review and credit score.

Ms W's net monthly income (based on her annual income) would be around £1,240 and, based on Marsh's estimate of her expenditure, she had a monthly disposable income of £530 or so. Marsh felt this was sufficient disposable income to sustainably meet the repayments.

Marsh also spoke to Ms W as part of the application process to validate the details were correct and to confirm that the repayments would be affordable for her. Ms W confirmed they were and that she wasn't aware of anything that would mean they might not be affordable in future. I think the checks carried out by Marsh were reasonable and proportionate.

I've seen nothing which makes me think it should have had any concerns or asked further questions. It follows that I think it reached a fair decision to lend to Ms W.

#### Did Marsh act unfairly or unreasonably towards Ms W in some other way?

I've carefully considered all the information provided by each party to this complaint. I've seen nothing to suggest that Ms W contacted Marsh to express any difficulty meeting the repayments to the agreement.

For the reasons I've already given, I don't think Marsh lent irresponsibly to Ms W or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A of the Consumer Credit Act 1974 would, given the facts of this complaint, lead to a different outcome here.

**My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 17 September 2025.

Richard Hale  
**Ombudsman**