

The complaint

Miss M complains that a hire purchase agreement with 247 Money Group Limited under which a car was supplied to her was unaffordable and that it lent to her irresponsibly.

What happened

A used car was supplied to Miss M under a hire purchase agreement with 247 Money in March 2021. The price of the car was £9,699 and Miss M paid a deposit of £2,199, so the amount of credit provided to her was £7,500. Miss M agreed to make 54 monthly payments of £290.08 to 247 Money.

Miss M complained to 247 Money about the hire purchase agreement in April 2025, but it didn't uphold her complaint. It described the checks that it had made before providing the credit to her and said that, based on the information provided on the application, its internal system checks, verification of her income, and the validation call that it made to her, it had no concerns over Miss M's affordability to repay the loan. Miss M wasn't satisfied with its response, so referred her complaint to this service.

Miss M's complaint was looked at by one of this service's investigators who didn't recommend that it should be upheld. Miss M provided further information about her complaint, so the investigator looked at that information but, having considered everything, she didn't recommend that it should be upheld. She didn't think that the checks that 247 Money completed were reasonable and proportionate for the agreement, but she calculated that Miss M had a monthly disposable income of around £935 and that there would have been no reason to believe that she couldn't handle the repayments of £290.08 each month. She didn't think that 247 Money made an error in providing Miss M with the hire purchase agreement.

Miss M says that she disagrees with the figures used by the investigator, so she's asked for her complaint to be referred to an ombudsman. She's provided more bank statements, which she says clearly show her gambling, and that her breakdown of her credit commitments gives a significantly higher figure than that used by the investigator. She also says that her household composition, and the amount of her disposable income that she needed to use for food, toiletries and emergencies, hasn't been taken into account. She's provided her calculations of her income and expenditure, excluding food costs and essential living expenses, for December 2020 to February 2021.

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.

Miss M applied to 247 Money for credit to pay for a used car to be supplied to her in March 2021. 247 Money says that Miss M declared that she was employed full time with a monthly income of £2,775, including benefit payments, and that it verified a monthly average income of £2,754.51 using Miss M's payslip and evidence of her income from benefits. It says that it also reviewed a copy of Miss M's credit report. I consider that that review would have shown

247 Money that Miss M had defaulted on three credit agreements with communication providers, between seven and eleven months prior to the application, had been in arrears on an overdraft and was in an arrangement to pay on a public utility account.

247 Money was required to make reasonable and proportionate checks to ensure that any credit to be provided to Miss M was sustainably affordable for her before entering into the hire purchase agreement. As I consider that its review of Miss M's credit report would have shown the issues described above, I consider that reasonable and proportionate checks for the credit for which Miss M had applied would have required 247 Money to have obtained more information about her spending. I don't consider that the checks that 247 Money made gave it enough information about Miss M's financial situation or that the checks that it made were reasonable and proportionate.

I've considered what 247 Money would likely have discovered if it had obtained more information about Miss M's spending. Miss M has provided copies of her bank statements and the investigator reviewed those statements for December 2020 to February 2021, as part of an income and expenditure assessment. I don't consider that 247 Money was required to have reviewed copies of Miss M's bank statements as it could have obtained information about her spending in other ways, but the statements are a good source of information about Miss M's income and expenditure.

The investigator excluded some benefit payments at the request of Miss M, and she calculated that Miss M would have had an average monthly disposable income of £934. Miss M has provided her own calculations of her income and expenditure, excluding food costs and essential living expenses, for December 2020 to February 2021 and which show that she would have been left with an average of £445.35 each month, before food costs and essential living expenses.

I'm considering what 247 Money would have seen from reasonable and proportionate checks, not what a complete understanding of Miss M's financial situation would have shown. I consider that if it had asked Miss M for information about her expenditure, or had looked at her bank statements as the investigator did, it's likely that it would have identified that her monthly expenditure, before any spending on food was about £1,646 and that she was likely to have been able to have afforded a hire purchase agreement with a monthly payment of £290.08 from the monthly income of £2,754.51 that it had verified. I'm not persuaded that it should have been aware of Miss M's spending on gambling or that that spending should have been included in its affordability assessment. I consider that it was fair and reasonable for 247 Money to have concluded that a hire purchase agreement with a monthly payment of £290.08 was likely to be sustainably affordable for Miss M at that time.

Miss M's credit report did show that she'd defaulted on three credit agreements, had been in arrears on an overdraft and was in an arrangement to pay on a public utility account. The hire purchase agreement was for a car to be supplied to Miss M and I don't consider that 247 Money shouldn't have provided the credit to Miss M because of the adverse information on her credit file.

I've carefully considered all that Miss M has said and provided about her complaint, including her detailed responses to the investigator's recommendation, but I'm not persuaded that there's enough evidence to show that 247 Money provided the credit to her irresponsibly or that it made an unfair lending decision. Nor am I persuaded that there's enough evidence to show that 247 Money has acted unfairly or unreasonably in any other way, including whether its relationship with Miss M might have been viewed as unfair by a court under section 140A. I appreciate that my decision will be disappointing for Miss M, but I find that it wouldn't be fair or reasonable in these circumstances for me to require 247 Money to take any action in response to her complaint.

My final decision

My decision is that I don't uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 11 February 2026.

Jarrold Hastings
Ombudsman