

## **Complaint**

Mr M complains that 247 Money Group Limited (trading as “247 Money”) unfairly entered into a hire-purchase agreement with him. He’s said that the monthly payments to this agreement were unaffordable given his circumstances at the time and so he shouldn’t have been lent to.

## **Background**

In September 2022, 247 Money provided Mr M with finance for a used car. The purchase price of the car was £10,219.00. Mr M paid a deposit of £600 and entered into a hire-purchase agreement with 247 Money for the remaining £9,619.00 he required.

The loan had interest, fees and charges of charges of £5,073.20 and a 60-month term. This meant that the balance to be repaid of £14,692.20 (which does not include Mr M’s deposit) was due to be repaid in 60 monthly instalments of £244.87.

Mr M complained that the agreement was unaffordable and so should never have been provided to him. Mr M also complained about the commission 247 Money paid the credit broker that introduced his business. We’ve explained that we’re considering Mr M’s commission complaint separately and so far we’ve only looked at whether 247 Money acted fairly and reasonably in agreeing to lend to Mr M.

The complaint was subsequently considered by one of our investigators. He didn’t think that 247 Money hadn’t done anything wrong or treated Mr M unfairly in agreeing to lend to him. So he didn’t recommend that Mr M’s affordability complaint should be upheld.

Mr M disagreed with our investigator and the complaint was passed to an ombudsman for a final decision.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about irresponsible and unaffordable lending on our website. And I’ve used this approach to help me decide Mr M’s complaint.

Having carefully considered everything, I’ve decided not to uphold Mr M’s complaint. I’ll explain why in a little more detail.

247 Money needed to make sure that it didn’t lend irresponsibly. In practice, what this means is that 247 Money needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mr M before providing it.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we think it’s reasonable for a lender’s checks to be less

thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

247 Money says it agreed to this application after Mr M provided details of his monthly income. It has also said that the credit searches it carried out on Mr M showed that Mr M did have a defaulted account recorded against him.

However, in 247 Money's view, when the amount due on Mr M's existing credit commitments plus an estimated amount for Mr M's living expenses, based on statistical data, were deducted from his monthly income the monthly payments were affordable. On the other hand, Mr M says that these payments were unaffordable and there was no way he was going to be able to maintain them.

I've thought about what Mr M and 247 Money have said.

The first thing for me to say is that, unlike our investigator, I don't think that it was reasonable for 247 Money to use living costs based on statistical data for Mr M, given there wasn't anything to suggest that Mr M fell within the profile of the average borrower, which such statistics were based on. In my view, Mr M's previous adverse credit – although historic and didn't suggest that he shouldn't be lent to in any circumstances – suggested that he fell outside the profile of the average borrower.

As 247 Money didn't carry out sufficient checks, I've gone on to decide what I think 247 Money is more likely than not to have seen had it obtained further information from Mr M. Bearing in mind, Mr M's previous credit history, I would have expected 247 Money to have had a reasonable understanding about Mr M's regular living expenses as well as his income and existing credit commitments.

However, the bank statements Mr M has now provided us with do not appear to show that the estimates 247 Money used were out of kilter with his actual position, or that using Mr M's actual regular living expenses would have shown that he did not have the funds to sustainably make the repayments due under this agreement.

Indeed, the amount Mr M has left over after his actual living expenses and existing credit commitments are deducted from is income is remarkably similar to 247 Money's results. This may be why Mr M confirmed that the disposable income had arrived at was broadly correct in the telephone call he had with one of 247 Money's agents. In any event, the available evidence suggests to me that 247 Money is unlikely to have a different decision on lending, even if it had carried out further checks.

I'd also add that there isn't a prohibition on entering into a hire-purchase agreement with a customer that is using an arranged overdraft. After all, it is a credit facility that they have an arrangement to use. So if Mr M is unhappy with being allowed to use his overdraft in the way that he was able to, this is a matter that he needs to take up with his bank, rather than 247 Money.

I also have to keep in mind that Mr M's most recent submissions are being made in support of a claim for compensation and any explanations Mr M would have provided at the time are more likely to have been with a view to persuading 247 Money to lend, rather than highlighting any unaffordability. Equally, having listened to a recording of the income and

expenditure call that Mr M had with 247 Money, it's clear that he was asked whether he envisioned his income or expenditure changing going further and he answered that he did not think that it would.

Overall, while I think that 247 Money ought to have found out about Mr M's actual living expenditure, I don't think that it doing so would have stopped it from providing these funds, or entering into this agreement with Mr M. So I've not been persuaded that 247 Money acted unfairly towards Mr M when it agreed to provide the funds.

In reaching my conclusions, I've also considered whether the lending relationship between 247 Money and Mr M might have been unfair to Mr M under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I don't think 247 Money irresponsibly lent to Mr M or otherwise treated him unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

So having carefully considered everything, I've not been persuaded to uphold Mr M's complaint. I appreciate that this will be disappointing for Mr M. But I hope he'll understand the reasons for my decision and at least consider that his concerns have been listened to.

### **My final decision**

My final decision is that I'm not upholding Mr M's complaint.

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

Jeshen Narayanan  
**Ombudsman**