

## **complaint**

Mr B says Valour Finance Limited, trading as Savvy.co.uk, lent to him irresponsibly.

## **background**

Mr B had one loan with Savvy for £800. The repayments were about £133 per month for 12 months, commencing in August 2015.

Our adjudicator considered the complaint and didn't think Savvy had acted irresponsibly when it lent to Mr B. Mr B didn't agree with the adjudicator, so the complaint was passed to me to decide.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've taken into account the law, good industry practice and any relevant regulations and the time.

Before lending to Mr B, Savvy asked him about his income and expenditure, obtained a payslip and other proof of employment and carried out a credit check. It also spoke to him by phone about his debts and his essential and non-essential expenditure.

Mr B's payslip showed his net income was around £1,500 a month. During the phone call he said his living costs were very low (around £250 a month) as he lived in a property owned by a parent and his partner paid some of the household bills.

The main focus of the phone discussion was about Mr B's debts. He told Savvy some of the loans which appeared on his credit report had in fact been paid off and that he'd use the Savvy loan to consolidate some of his other loans, plus his overdraft. Savvy told Mr B that a credit report suggested his monthly debt obligations were around £680 – Mr B had said during the call that he thought they were much lower than this.

I think it should've been clear to Savvy during the call that Mr B was likely providing incomplete information about his monthly debt obligations. Additionally, Mr B told Savvy he would use an £800 loan to consolidate far more than £800 of debt – which simply doesn't make sense. I don't think Savvy made sufficient enquires on either point, which is particularly disappointing as it had plenty of opportunity to do so during the phone call.

However, Savvy says it used the higher credit report figure of £680 for Mr B's monthly debt obligations when calculating the affordability of the loan. Using this figure, together with the living costs provided by Mr B, the monthly payments for the loan Savvy approved appear to be sustainably affordable for Mr B.

So overall, while I think Savvy should've done more to question some of the information Mr B was providing, I don't think proportionate checks for a loan of this size would've suggested it was unaffordable for him.

I've thought about the points Mr B raised in response to the adjudicator's view. Mr B says he had 12 payday loans and a credit card – and that Savvy should've checked his bank statements. I should clarify that Savvy was under no obligation to check Mr B's bank statements – it might be appropriate in some circumstances for a lender to ask for this (or

similar) information but I think it would be disproportionate to say Savvy should've done this for Mr B's first and only loan with it. I can see it did obtain proof of employment and a payslip from Mr B – I think that was sufficient in the circumstances.

I've also not seen any evidence Mr B had 12 active payday loans when he applied for his loan with Savvy. I can see he had some other active loans – and Savvy discusses those which appeared on its credit check with him. I can't say Savvy was at fault if there were loans it didn't know about if they didn't appear on a credit check and were also not disclosed by Mr B.

I realise it will be disappointing for Mr B but I cannot uphold his complaint.

**my final decision**

For the reasons I've given above, I do not uphold Mr B's complaint against Valour Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 September 2019.

Matthew Bradford  
**ombudsman**