

## **complaint**

Mr A complains that Cashbridge Corporation Ltd (trading as Credio) was irresponsible to lend him money when he already had multiple payday loans with other companies.

## **background**

Mr A says he was using payday loans in order to maintain his mortgage repayments. Credio agreed Mr A's first loan of £50 in July 2014. Mr A then took out seven subsequent loans – each time the loan amount increased slightly. His last loan was for £250 in December 2015. Mr A says Credio was irresponsible to keep lending him money. He says had it looked at his bank statements and credit file, it would have realised he was reliant on multiple payday lenders and his credit file showed numerous missed payments.

Credio said it checked credit reference agency information and Mr A's income and he met its standard criteria. It added that Mr A repaid every loan on time.

Our adjudicator did not recommend the complaint should be upheld. He found the loan amounts were relatively small compared with Mr A's income and did not consider Credio should have carried out more extensive checks given Mr A's repayment history.

Mr A responded to say, in summary, that he applied for each new loan on the same day he repaid the previous one so Credio should have realised he was reliant upon them. He added that, although he had an income of £2,600, his payments to other payday loans and credit cards meant that the Credio loans were unaffordable.

## **my provisional decision**

After considering all the evidence, I issued a provisional decision on this complaint to Mr A and to Credio on 18 October 2016. I summarise my findings:

- I considered Credio should have questioned Mr A's borrowing at the time of his fourth loan application in January 2015, but I could not see it had done any additional checks since the first loan was approved.
- Mr A's credit file and bank statements from the end of 2014 showed multiple payday loans, a number of missed credit payments, a default in September 2014 and a large expenditure on gambling.
- I was satisfied that, had Credio done additional checks before approving the loan in January 2015, it would have found further lending to be unaffordable.
- I concluded Mr A should never have been approved for the fourth or subsequent loans.

Subject to any further representations by Mr A or Credio, my provisional decision was that Credio should:

- Refund all interest and charges for the loans Mr A took out from January 2015 onwards;
- Pay interest of 8% on those payments; and
- Remove any adverse information about these loans from Mr A's credit file.

Neither Mr A, nor Credio, has provided any further information.

### **my findings**

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

As neither party has provided any further representations, I have not altered my opinion about what would be the fair outcome to this complaint.

### **my final decision**

My decision is that I uphold this complaint. Cashbridge Corporation Ltd (trading as Credio) should:

- Refund all interest and charges for the loans Mr A took out from January 2015 onwards;
- Pay interest of 8% on those payments; and
- Remove any adverse information about these loans from Mr A's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 December 2016.

Amanda Williams  
**ombudsman**