

## **complaint**

Mr D complains that TM Advances Limited was irresponsible in granting him several loans.

## **background**

Mr D took out four loans with TM. The first was for £3,000 in June 2014 and the second was for £2,000 in July 2014. The first was for three years and the second for four years. Both were repaid in October 2014. In November he borrowed further £5,000 and he repaid £4,800 in January 2016. He cleared the remaining balance in April 2016 when he took out another loan for £5,000 over a five year period. He made a further loan application October 2016 which was declined.

His application forms showed he had a significant gross income and his disposable income ranged from £911 to £2,505. He owned his own home in which he held a some equity.

Mr D made a complaint to this service and it was considered by one of our investigators who didn't recommend it be upheld. He reviewed Mr D's bank statements for the three months prior to the first two loans and noted there were considerable amounts going in and out. From that he was satisfied Mr D was able to cover the repayments.

He noted TM had explained that based on its affordability checks Mr D was able to borrow the sums he had requested. The investigator appreciated he had previously taken out numerous short term loans, but he could see the accounts were managed well. Although he couldn't say TM had checked his credit file he didn't believe this was necessary in the circumstances.

Looking at the third loan he said that Mr D had repaid his two previous loans early and TM was also able to factor this into its considerations. In any case, having reviewed his bank statements, the investigator was satisfied these repayments were affordable.

He appreciated Mr D hadn't repaid the third loan in full by the time he took out the final one, but he hadn't missed any payments, and the final loan wasn't in addition to the third loan. Part of the final loan was used to repay the third loan. This meant he was paying less per month than he had been.

He was unable to see any of the loans had been rolled over. The first two loans were repaid alongside each other. And the third loan hadn't come to the end of its term when the final loan was given - a new contract was negotiated. Overall the investigator was satisfied TM had carried out satisfactory affordability checks before providing loans. He concluded its actions were fair and reasonable.

Mr D didn't agree and said while these loans may have appeared affordable he had been dependent on other borrowing and gambling. He said if TM had carried out proper checks it would not have lent to him.

## **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 am aware Mr D had taken out many different loans in recent years and he has raised complaints against the lenders some of which have been successful. However, I have to consider whether TM behaved responsibly in lending him money and if it carried out appropriate checks.

TM relied on the information Mr D supplied in his application forms which it verified by reference to his bank. This showed other payments for credit and after these were taken into account he had sufficient disposable income on which to pay for the loans and to live. Based on this it identified that Mr D could afford the loans and in fact he was able to do so. He also was homeowner with a fair degree of equity and so the business considered it was able to lend to him.

I appreciate he says that behind the scenes his financial affairs weren't so straightforward and he was using Peter to pay Paul. That may be the case, but I consider TM carried out reasonable checks and his record with it was such that it had no cause for concern when it came to the later lending. However, I note that it rejected a more recent application due its concerns about affordability which shows, to some degree, that it was taking due regard of his financial circumstances. Therefore, on balance I don't consider TM did anything wrong.

#### **my final decision**

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 March 2018.

Ivor Graham  
**ombudsman**