

## **complaint**

Mr H complains that Lending Stream LLC made short-term lending to him when it shouldn't have.

## **background**

Lending Stream made a loan to Mr H in July 2013. He couldn't repay it and later complained that Lending Stream shouldn't have made the loan.

The investigator didn't recommend that the complaint should be upheld. He didn't think that Lending Stream was wrong to lend to Mr H. the investigator thought that Lending Stream had carried out proportionate checks.

Mr H disagrees with the investigator's opinion. He says, in summary, that Lending Stream's credit check would've shown his many applications to other short-term lenders. These were to fund his gambling addiction. Although Lending Stream might not have known about his illness at the time of borrowing, it offered him no help when it learned about it at a later stage, Mr H says.

## **my findings**

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

Before agreeing to lend to Mr H, Lending Stream had to check that he could afford to make the repayments. The checks had to be proportionate. There's no set list of proportionate checks. What's proportionate depends on things like – but not limited to – the size of the loan repayments and the information Lending Stream had about Mr H.

From its file I'm satisfied that Lending Stream gave Mr H the required level of information about its proposed loan, including the consequences of late payment.

From its file, I see that the Lending Stream loan was of £415 to be repaid (with interest) by six monthly payments of various amounts between about £108 and about £208.

From its file I accept that Lending Stream did a credit assessment and got a credit score. I don't think such checks could provide enough evidence of affordability. Lending Stream has shown us the credit score. And in the context of a first loan of £415, I don't think that proportionate checks would've included asking Mr H about other short-term loans.

Lending Stream recorded Mr H's monthly income as £1,347 and his monthly expenditure as £647. From what Mr H says, these figures came from him. In the context of a first loan of £415, I don't think it was unreasonable for Lending Stream to rely on those figures.

They indicated monthly disposable income of about £700. That was more than enough to cover the instalments to Lending Stream.

So I'm satisfied that Lending Stream did proportionate checks. And I don't find it fair and reasonable to order it to refund Mr H interest or to remove information from his credit file.

I've thought about what happened when Mr H contacted Lending Stream. I've reviewed the emails and I think Lending Stream tried unsuccessfully to encourage further discussion. I don't think Lending Stream treated Mr H unfairly.

Overall I don't find it fair and reasonable to order Lending Stream to do any more in response to Mr H's complaint.

**my final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I make no order against Lending Stream LLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 November 2017.

Christopher Gilbert  
**ombudsman**