

## **complaint**

Mr O complains that Valour Finance Limited (trading as Savvy.co.uk) gave him an instalment loan irresponsibly. He wants a refund of his interest and charges and for negative information to be removed from his credit file.

## **background**

Mr O took out one instalment loan from Savvy.co.uk in May 2018. He said he was gambling at the time and had a lot of debt. He said he completed his application online and wasn't asked for any evidence. Savvy.co.uk said in response to Mr O's complaint about affordability that it had carried out proportionate checks that showed that he could afford the loan. It said Mr O hadn't then made any loan repayments.

Our adjudicator didn't recommend that the complaint should be upheld. He thought Savvy.co.uk's affordability checks had gone far enough. He thought these showed that Mr O had sufficient disposable income to repay his loan. So he didn't think Savvy.co.uk had been wrong to provide it.

Mr O replied that he'd told Savvy.co.uk what he recalled about his expenditure. But he thought it should have done more to check that he could afford the loan and wasn't already drowning in debt. Mr O also raised concerns about how Savvy.co.uk had dealt with his repayment plan.

## **my findings**

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

Mr O borrowed £1,000 to be repaid in 15 monthly instalments of £133.33. Savvy.co.uk said Mr O had made two small repayments for his loan.

Savvy.co.uk was required to lend responsibly. It should have made checks to make sure that Mr O could afford to repay the loans before it lent to him. Those checks needed to be proportionate to things such as the amount Mr O was borrowing, and his lending history. But there was no set list of checks Savvy.co.uk had to do.

Savvy.co.uk said it verified Mr O's monthly income as £1,400 from a credit check. It said it spoke to Mr O and he told it his monthly expenditure for his living costs and regular bills was £326. It said it checked Mr O's credit file and saw that he had monthly credit commitments of £120. It didn't see any recent defaults and it asked Mr O about a recent loan he'd taken out. So it said this left Mr O with a disposable income of £954.

Mr O told us that he told Savvy.co.uk just what he recalled at the time of the call. Having listened to the call, I heard Mr O confirm some information that he'd already provided online. Savvy.co.uk then asked him questions about his other outgoings, including other short-term loans.

I think Savvy.co.uk could reasonably rely on the accuracy of the information Mr O provided unless it had cause for concern. I've looked at the credit search it carried out and listened to the call with Mr O.

I can't see anything that should have prompted further checks. So I think that Savvy.co.uk's affordability checks were proportionate and sufficient. These checks showed that Mr O could comfortably afford his loan repayments. So I can't say it was wrong for Savvy.co.uk to provide the loan and I don't require it to pay Mr O any refund.

Mr O was also concerned with how Savvy.co.uk dealt with the loan when he told it of his financial difficulties. I can see that Savvy.co.uk asked Mr O for further information about his income and expenditure. This conflicted with what he'd previously told it and it said it showed that Mr O's outgoings exceeded his income.

So Savvy.co.uk said that it put Mr O's account on hold for 30 days and asked for Mr O for three months bank statements and further information about his debts. But he declined to provide these. Mr O did though provide a copy of his payslip to verify his income. And Savvy.co.uk said it referred Mr O to a debt advice service.

When a consumer tells a business about their financial difficulties, we expect it to respond positively and sympathetically. From what I can see, Savvy.co.uk did this by putting Mr O's account on hold, trying to establish his financial circumstances accurately to set up a repayment plan and then referring him to seek advice.

Mr O said in his complaint form sent to us that he wants to repay his debts through a repayment plan. I think it was reasonable for Savvy.co.uk to verify Mr O's income and expenditure in order to establish an affordable repayment plan. I can understand that Mr O feels uncomfortable about this. But I don't think it's unusual to ask for evidence to set this up.

If Mr O is unhappy with the repayment arrangements, then he can always complain directly to Savvy.co.uk about this. If he's unhappy with its response, then he can bring his complaint to us.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 8 April 2019.

Phillip Berechree  
**ombudsman**