

complaint

Ms P complains that WDFC UK Limited (trading as Wonga) lent her money without first checking she could afford to repay it. She says she was in serious financial difficulty at the time, and Wonga would have realised this and not lent to her if it had carried out proper checks.

background

Ms P had two loans from Wonga, in December 2016 and January 2017. The first was for £150 and was to be repaid in three instalments. Ms P repaid that loan ahead of schedule. A few days later she applied for her second loan. This loan was for £200, and again was due to be repaid in three instalments. Ms P hasn't repaid this loan.

Ms P complained to Wonga about irresponsible lending. It said it didn't think it had done anything wrong, so Ms P brought her complaint to us.

Our adjudicator didn't think Wonga had lent irresponsibly, so she didn't recommend Ms P's complaint be upheld.

Ms P doesn't agree so I've been asked to decide this complaint.

my findings

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

Each time Wonga lent to Ms P it was required to satisfy itself that she could afford the repayments. There's no set list of things Wonga had to check – but they would be related to things such as how much Ms P wanted to borrow, how often and what it knew about her from her previous borrowing history.

Wonga says each time it lent to Ms P it collected information from her about her income and regular outgoings. It recorded her income as £1,700 a month. The maximum monthly repayment across both loans was just under £100. So it looks as though Ms P could afford them.

Furthermore Wonga also asked Ms P to list her regular outgoings – and it recorded these as £900 a month. Again that suggests Ms P could afford both loans.

Ms P now says the information she provided wasn't correct. I make no finding about whether that was deliberate, but Ms P did provide that information at the time, and I think Wonga is entitled to rely on what she said in her application. I wouldn't expect Wonga to verify everything Ms P told it this early in their relationship, when she was asking to borrow relatively small amounts.

Ms P says Wonga should have checked her credit file, which would have shown her poor financial position. Our adjudicator said there was no requirement for Wonga to do that, and I agree with that approach. However, I see Wonga *did* run a credit check on Ms P each time she applied for a loan. It says it looked at various things, including whether Ms P was insolvent, employed or had debts that had been looked at by a court but remained unpaid.

I've looked at the credit file Ms P sent us to see if there would have been anything showing in December 2016/January 2017 that should have prompted Wonga to make further enquiries before lending. Although Ms P's credit history isn't perfect, I can't see anything that would prompt such enquiries.

Overall I think I haven't seen anything that persuades me Wonga lent irresponsibly.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 25 July 2018.

Sue Peters
ombudsman