

## **complaint**

Mr F's complaint against Commsave Credit Union Limited (Commsave) is that it continued to irresponsibly lend to him after he told it about his gambling addiction.

## **background**

Mr M had a loan with Commsave. On 17 February 2015, he notified it that he had a gambling addiction; was in financial difficulties; and wanted to agree an affordable repayment plan to pay off his borrowings.

Despite this, Commsave continued to provide him with further/additional borrowing. He says this made his position worse, given his vulnerability. He didn't think it had acted fairly or responsibly towards him. So he brought his complaint to our service.

Commsave responded saying it didn't believe it had done anything wrong. It explained that it conducted credit checks, and ran full affordability assessments, each time a customer borrowed.

Our Investigator looked into matters, and concluded that Commsave hadn't treated Mr F fairly. She noted Mr F had told it he had a gambling addiction, and asked for agreement on a repayment plan so he could pay back his existing debt in 2015. But that it had kept on lending more to him.

She acknowledged that Mr F had the benefit of the money he borrowed, but she didn't think Commsave should have given it to him. So she upheld the complaint and recommended that Commsave refund Mr F all interest and expenses it had charged him on new borrowing since 17 February 2015.

Commsave didn't agree with this. It said it was a responsible lender, and conducted full credit checks and affordability assessments each time it issued a loan to a customer. It asked for an ombudsman's review.

## **my findings**

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

Having done so. I'm in agreement with our Investigator. I don't think Commsave did enough to help Mr F. Indeed, I can see how it contributed in making matters worse for him.

Commsave's told us, generally, that it carries out full affordability checks on all loans before granting them. This may well be true. It may also be true that this was done for Mr F. However, doing these checks was only part of Mr F's story. Commsave also had the knowledge that he had a gambling addiction, and was therefore vulnerable. So even if the affordability assessments showed that Mr F could afford the repayments, that's not enough to satisfy me that the lending was affordable. I think Commsave should have looked at the full circumstances, and taken Mr F's vulnerability into account. Had it done so, I think it would have made different lending decisions. Instead, it doesn't seem to have been mentioned.

I also agree with our Investigator's suggested redress. Mr F borrowed, and spent, the money – so I won't be asking for any capital sums to be refunded. But I do think Commsave should refund all interest and charges from any new borrowing from 17 February 2015 to date. And, in the circumstances, if Mr F still has existing borrowing with it, this money should be credited against that. Any fund left over can be paid directly to Mr F.

### **my final decision**

My final decision is that I uphold this complaint. In order to resolve matters, I'm asking Commsave Credit Union Limited to refund all interest and charges applied to any additional borrowing by Mr F after 17 February 2015.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 18 March 2020.

Ashley L B More  
**ombudsman**