

complaint

Mr D complains that Active Securities Limited (trading as 24/7 Moneybox) gave him loans he couldn't afford.

background

Mr D says that 24/7 Moneybox gave him a number of loans which struggled to repay. Mr D eventually entered into a repayment plan with 24/7 Moneybox for his final loan, but says that the interest and charges have caused him difficulty and stopped him being able to clear the debt.

24/7 Moneybox did not accept that it had lent irresponsibly to Mr D. It felt it had dealt fairly with him, including offering to accept a reduced lump sum settlement figure. As things weren't settled, Mr D brought his complaint to this service where an adjudicator investigated it.

From the evidence, the adjudicator noted that Mr D had taken six loans with 24/7 Moneybox over a period of a year. The adjudicator found that 24/7 Moneybox had made proportionate checks before providing the loans. Given the reasonable repayment history prior to the final loan, the adjudicator did not consider that 24/7 Moneybox was wrong to lend.

24/7 Moneybox offered to refund £35.20, which would mean Mr D would only pay the original contractual repayment for his final loan, and to remove all information (including the default registration) for this loan from Mr D's credit file.

In the circumstances, the adjudicator considered that to be a fair settlement. Mr D did not agree with the adjudicator and said, in summary:

- Looking back through his bank statements, he still feels that 24/7 Moneybox lent irresponsibly. He has paid a lot in interest and charges and would like to try and get some of that back.
- If 24/7 Moneybox had looked more thoroughly into his outgoings, it would have seen he was juggling other payday loans. He had become trapped in a cycle of borrowing.
- Given his actual wages, he definitely could not afford the final loan. He had other debts and has been worried about debt collectors.
- He was not offered help by 24/7 Moneybox when he told it about his financial difficulties.

my findings

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

The loans 24/7 Moneybox provided to Mr D were taken between November 2011 and November 2012. From the evidence, I am satisfied that 24/7 Moneybox carried out proportionate checks – including of the employment details provided by Mr D – before lending.

I'm not persuaded that 24/7 Moneybox was obliged to look into Mr D's financial circumstances to the level of detail he suggests, given the size and type of borrowing he took. The fact that Mr D has paid a lot of interest and charges overall does not, by itself, mean 24/7 Moneybox did something wrong.

Each of the loans was repaid in full, apart from the final loan – I appreciate that things were difficult for Mr D at that time and he couldn't manage to repay that loan on the due date.

24/7 Moneybox agreed a repayment plan with Mr D, which he kept to. It also offered to accept a reduced lump sum settlement, though I realise that Mr D was unable to take up that option in his circumstances. So I don't think 24/7 Moneybox failed to offer any help.

The offer now made by 24/7 Moneybox means that Mr D will pay no more for the final loan than the original repayment figure provided for in the contract, and his credit file will not be affected by that loan. I find that to be a fair settlement in all the circumstances of this complaint.

my final decision

My final decision is that I direct Active Securities Limited (trading as 24/7 Moneybox) to:

- refund Mr D's account with £35.20; and
- remove from Mr D's credit file the default registration and any other information relating to the loan of 3 November 2012.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 June 2016.

Jane Hingston
ombudsman