

## **complaint**

Ms K says it was wrong of Lending Stream Llc to lend her money and it's their fault the loans have defaulted.

## **background**

Ms K borrowed £80, £120 and £350 from Lending Stream in March, April and May 2014 respectively. She says Lending Stream should have realised she couldn't afford to repay the loans and should never have given her the money. She says all the charges and interest should be refunded and the defaults removed from her credit file.

Our adjudicator didn't think the complaint should be upheld. Lending Stream has already agreed to write off the loan Ms K took out in April 2014 along with all the charges that'd been added. And it's offered to refund some of the charges that've been added to the other two loans. The adjudicator thought Lending Stream's offer was fair because, based on the information they were given, it looked like Ms K could afford to repay them when she took them out.

Ms K disagreed. She said she was having money problems when she took out the loans and needed them, at least in part, to repay other loans. And if Lending Stream had looked into her situation properly it would've realised she couldn't afford the new loans.

## **my findings**

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

Lenders have to look at whether or not an individual is likely to be able to repay a loan before giving them one. The lender will gather enough information so they can do this and the amount being borrowed often plays a part in deciding exactly what is "enough."

In this case Ms K asked to borrow relatively small amounts. And, in reply to its questions, Ms K seems to have told Lending Stream she was working full time, earning £1,200 a month and had monthly commitments of just £300. Lending Stream also checked Ms K's credit file with one of the credit reference agencies and was happy with her credit score which took into account that she'd had other loans in the past and some of those had defaulted.

Ms K tells us she wasn't actually earning £1,200 – she'd exaggerated her income to get the loans. But, in this particular case, I can see why Lending Stream took what she'd told them about her income and outgoings at face value. And, overall, I don't think it was wrong of them to give her the three loans.

Ms K says she told Lending Stream she was having money problems but she hasn't said when that conversation happened. I don't think it's likely Lending Stream knew she was having difficulties when it gave her the loans. And I haven't seen anything which says she told Lending Stream about her problems soon after it wrote to her about the charges it was adding because she'd missed payments. Or after it warned her it was going to default her account. So I don't think the charges were added unfairly and I don't think it was wrong of Lending Stream to default the loans Ms K took out in March and May.

Lending Stream's now offered to refund £77 of charges and it looks like it's already written off the April loan entirely. I don't think Lending Stream's done anything wrong so I can fairly ask it to do any more than what's already been offered.

**my final decision**

My final decision is that I don't uphold this complaint. I leave it to Ms K to decide whether or not to accept Lending Stream Llc's offer to refund £77 of charges.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 10 November 2015.

Ruth Lewis  
**ombudsman**