

## **complaint**

Mr G complains that Elevate Credit International Limited didn't properly consider his financial circumstances and lent him money that he couldn't afford to pay back.

## **background**

Mr G explains that he took out a loan with Elevate Credit in September 2015. He says that proper affordability and credit checks weren't done and if they had been Elevate Credit would have seen that he was depending on payday lending to meet his credit commitments. He says that Elevate Credit shouldn't have lent him the money because it was clear from his credit file and the amount he was borrowing that he couldn't afford to pay it back. This trapped him in a cycle of payday loan dependency and Mr G explains that he took out more and more loans with Elevate Credit and other lenders to make ends meet.

Our adjudicator didn't recommend that the complaint was upheld. She thought Elevate Credit had asked for enough information and relied on what Mr G told it about his financial commitments. Mr G didn't tell Elevate Credit he was struggling. She thought that Elevate Credit was entitled to rely on the information because of the amount of the loan and taking into account the other checks. She thought that there was no obvious pattern to Mr G's borrowing that would alert Elevate Credit that he was in difficulty. Mr G didn't agree and said in summary that his credit file showed his level of borrowing was unsustainable and Elevate Credit was irresponsible lending him more money on top of his other credit commitments.

## **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 agree with the conclusions of the adjudicator for broadly the same reasons.

I can see that Mr G applied for £200 on 5 February 2015. He said that he had an income of £2600. Mr G was asked about his outgoings and other credit commitments. Mr G declared that his outgoings were £1325. Elevate carried out an income and expenditure check and offered to lend Mr G £700. Looking at the circumstances this would suggest that the loan was affordable. Mr G didn't tell Elevate Credit at any stage that he was in financial difficulties or declare that he had significant repayments to other lenders.

Elevate Credit did check Mr G's credit report. Although the report showed a number of loans there was nothing significant in Mr G's repayment history with other lenders or circumstances that suggested he wouldn't be able to repay the loan. The loan was repaid in full and on time. Mr G took out another loan for £750 on 6 May 2015 but this was some months after the first loan had been repaid. Mr G took out two smaller loans for £150 and £100 on 29 May and 27 June 2015 and these were also repaid. Mr G took out a loan for £750 on 25 September 2015 and a smaller loan for £350 on 25 October 2015.

The pattern of loans taken out by Mr G with other lenders might suggest that he was having difficulty meeting his monthly commitments without relying on credit.

But Elevate Credit asked Mr G about his outgoings and his credit commitments for each loan. The information provided didn't suggest that Mr G would be unable to afford his repayments and showed a significant level of disposable income. I don't think that Elevate Credit acted incorrectly or unfairly by deciding to lend to Mr G on the basis of the information he had given them especially taking into account his income and expenditure and given the amount of money involved and the repayment schedule.

Looking at the paperwork, Elevate Credit did assess whether the loan was affordable and there was nothing in Mr G's circumstances that would suggest that he wouldn't be able to pay the money back. Mr G didn't tell Elevate Credit even after taking out the loan that he was having problems paying his debt because of his commitments to other lenders and he paid the loans back. I can see why Mr G might have overstated his disposable income but I can't say that Elevate Credit should have known this was the case looking at Mr G's history overall especially as his pattern of borrowing with Elevate Credit didn't indicate he was dependant on payday loans.

**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 G to accept or reject my decision before 25 May 2016.

Emma Boothroyd  
**ombudsman**