

## **complaint**

Miss B complains that AvantCredit of UK, LLC engaged in unaffordable lending to her.

## **background**

Miss B says AC didn't ask her for a full breakdown of her expenditure. She says in the three months before the loan was issued she'd opened three new credit accounts, indicating a high level of borrowing which she says should've prompted AC to carry out further checks.

Miss B also says the loan was for debt consolidation, but it didn't cover all her debts. She says she paid off what she could with this loan, but she still had outstanding debt. She says she now had an additional monthly payment of £167 which she says actually made her financial situation worse. And she says she eventually had to enter a debt management plan as that was the only way she could pay this loan.

So, Miss B says she wants AC to refund the interest and extra charges she paid and to add 8% statutory interest to the refund.

AC says during the application process Miss B was required to provide her monthly net income, which it verified with information on her credit report. It says this information was then compared to the monthly expenses she'd listed to help determine an affordable monthly repayment for her.

AC also says it examined Miss B's credit files to identify any existing debt obligations. It says it cross-referenced these to her previously verified monthly net income and expenses to gauge the affordability of an additional obligation. It says this supported its calculation of the affordability of an additional credit obligation. And it says it also examined Miss B's past repayment history and her credit score. It says these metrics had a significant influence when evaluating her application with its industry-leading risk assessment model, prior to making a credit decision.

So, AC says it doesn't consider it failed to properly assess the affordability of an additional credit obligation for Miss B prior to making a credit decision about her loan application.

Miss B complained to AC about this matter. And, being unhappy with its response, she complained to this service.

Our investigator thought Miss B's complaint shouldn't be upheld.

Miss B disagreed with the investigator's conclusions. So, the matter's been referred to me to make a final decision.

## **my findings**

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

I've decided not to uphold Miss B's complaint and I'll explain why.

There's no specific list of checks a lender must carry out before deciding to make a loan. The information I've seen indicates the checks AC carried out were proportionate to the amount of the loan and were appropriate, in the circumstances.

I've also reviewed Miss B's bank statements and these indicate the loan was affordable to her at the time.

I acknowledge Miss B's since entered into a debt management plan and I've sympathy for her. But I haven't seen anything to lead me to conclude AC's responsible for this happening. Or that it ought to have considered the loan Miss B applied for was unaffordable to her at the time.

So, taking everything into account, I don't think AC's done anything wrong. And this means I can't uphold Miss B's complaint.

### **my final decision**

I don't uphold Miss B's complaint against AvantCredit of UK, LLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 18 May 2018.

Robert Collinson  
**ombudsman**