

## **complaint**

Mr G complains that WDFC UK Limited (trading as Wonga.com) didn't carry out proper affordability checks when he took out payday loans. He says he was dependent on the loans. And they were unaffordable and contributed to his financial difficulties. He wants a refund of interest and charges and his credit file amended.

## **background**

Our adjudicator felt this complaint should be upheld. She said:

- Wonga granted Mr G 29 loans in just under a four year period from 2011.
- Mr G was struggling to repay his loans and on a number of occasions had to take out additional and continuous borrowing.
- Wonga could've done more to check that these loans were affordable when he was borrowing every month. Payday loans are supposed to be a form of short term borrowing. But after the loan on 5 March 2014 there was an increase in borrowing on a continuous basis. Wonga didn't carry out any further checks.
- So, Wonga should refund all interest and charges from the 17 January 2013 and remove any entries from his credit file.

Wonga hasn't responded to the adjudicator's opinion.

## **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 agree with the adjudicator's conclusions for the same reasons. I think the adjudicator's proposed resolution of this case is fair and reasonable. And I don't see any reason to change the proposed outcome in this case.

## **my final decision**

I uphold this complaint and I require WDFC UK Limited (trading as Wonga.com):

1. To refund all interest and charges on all loans from 17 January 2013 plus pay simple interest at the rate of 8% a year from the date each sum was paid until the date of settlement; and
2. To remove any information on Mr G's credit file relating to all loans taken out from 17 January 2013.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 April 2016.

Stephen Cooper  
**ombudsman**

