

## **complaint**

Mr W has complained that Everyday Lending Limited (EDL) lent to him irresponsibly.

## **background**

I issued a provisional decision about this complaint in January 2021 that I summarise below.

Mr W was given a loan of £2,000 by EDL in May 2017. This was due to be repaid in 24 monthly instalments of around £169. The total amount payable, including interest, was just over £4,071.

I explained the basis on which I would decide the complaint, in particular the checks that EDL needed to do such as the amount being lent, and the consumer's income and expenditure.

I said that EDL needed to take reasonable steps to ensure that it didn't lend to Mr W irresponsibly. And that EDL had to carry out proportionate checks to satisfy itself that he could repay the loan in a sustainable way.

I carefully considered all the evidence, arguments and information I'd seen about this matter in order to decide what's fair and reasonable in the circumstances of this complaint.

EDL carried out some checks before it lent to Mr W. This included asking for details of his income, carrying out some credit checks and requesting a payslip and bank statements. EDL assessed Mr W's regular living expenses and his monthly credit commitments.

I'd seen a summary of the information gathered by EDL, including the credit report and bank statements Mr W provided to EDL at the time. I thought the checks that EDL carried out before lending to Mr W were reasonable and proportionate, in the circumstances.

The credit report acquired by EDL showed Mr W had two live loans with a total balance outstanding of £832 and two revolving accounts with an outstanding balance of £410. There was very little adverse information on his credit report. From what I'd seen, it appears that Mr W told EDL he intended to consolidate at least some of his outstanding debt with his EDL loan. Mr W's bank statements for March and April are not very clear and I could see that he was sometimes overdrawn. But there doesn't appear to be signs of significant financial distress, such as regular gambling or high levels of bank charges or frequently returned requests for payment, all of which might have signalled severe financial difficulties to EDL.

Mr W provided his own credit report to us. Our adjudicator thought that EDL ought to have carried out more in-depth checks and that had it done so, it would have gained a broader picture of Mr W's financial circumstances at the time and decided not to lend to him. However, generally, the information a consumer might see, when they request a copy of their credit file might be very different to that seen by a lender. A lender might only see a portion of the credit file, or some data might be missing or anonymised, or the data might not be up to date. From what I'd seen from the credit report that Mr W provided, he had taken out some additional short-term lending very shortly before his application to EDL. But new credit commitments can take some time to appear on a credit report and so don't always appear in any reasonable and proportionate checks that are carried out at the time. So, this may explain any differences between the information provided by EDL's credit check and the information Mr W says it should have seen.

I considered whether the information that EDL did gather should reasonably have led it to decline Mr W's application. Mr W had borrowed from short term lenders in the months before he applied to EDL. But it seems to me that EDL considered Mr W's credit commitments, including his apparently low level of indebtedness, his bank statements and what Mr W said were his plans to use EDL's loan to consolidate some of his borrowing.

On balance and given what was known about the level of Mr W's indebtedness overall, I didn't think Mr W's borrowing from other lenders had reached such a point that it ought to have led EDL to decline his loan application. Taking things as a whole, I didn't think there was anything which should have caused EDL any additional concerns about Mr W's financial position when he applied for the loan. Or that should have led the lender to reasonably conclude that lending to Mr W would be unfair or irresponsible in some way.

*Did EDL treat Mr W unfairly in some other way?*

EDL agreed to reduce Mr W's monthly repayments when he had difficulties repaying his loan after a road accident led to him being off work on sick leave. EDL's customer contact notes had marked Mr W's file as being a vulnerable customer at that point. I understood that Mr W isn't happy about the service he says he received from EDL and I am sorry that he found himself in difficult circumstances. But I think that EDL did try to respond to his change in circumstances. Overall, I hadn't seen anything which made me think that EDL treated Mr W unfairly in some other way.

I said that if Mr W's loan is still outstanding, I expected EDL to be mindful of its obligation to treat him positively and sympathetically and to try to arrange a repayment plan that is affordable for Mr W. But I said I was not intending to uphold Mr W's complaint.

I asked both parties to send me anything further they would like me to consider. I haven't seen any new evidence from either Mr W or his representative or from EDL. The deadline for further comments has now passed.

### **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'd like to thank both parties for all the information that has been provided about this matter.

Given that I've not received any further evidence or comment that changes my mind about this complaint, I confirm the conclusions I reached in my provisional decision.

I know Mr W will be disappointed by my decision. But I would like to reassure him I have carefully considered everything that both he and EDL have told us and all the evidence that has been provided. Having done so, I do not uphold Mr W's complaint.

### **my final decision**

For the reasons given above, I don't uphold the complaint or make any award against Everyday Lending Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 April 2021.

Sharon Parr  
**Ombudsman**