

## **complaint**

Mr B complains that CashEuroNet UK LLC (CEN) was irresponsible in lending him money and it telling him it had defaulted one loan.

## **background**

Mr B has had three loans from CEN. One for £300 taken out on 14 March 2015 was repayable in twelve monthly instalments of £45.03. The second was for £50 taken out on 8 September 2017. The third was £1050 taken out on 10 September 2017 repayable in twelve monthly instalments of £159.26.

Loans one and two were repaid early and weren't rolled over into other borrowing from CEN. Mr B missed payments for the third loan in February and March 2018. Mr B says this was due to mistakes made by CEN.

CEN rejected Mr B's complaint and he brought it to this service. It was considered by one of our adjudicators who didn't recommend it be upheld. He noted CEN had carried out credit checks for each loan and had obtained details of Mr B's income and expenditure. His declared monthly income in March 2015 was £1600 and his expenditure was £950. In September 2017 his income was £1670 per month and his expenditure was £950. In each case the monthly repayments were covered by his disposable income.

He noted the credit report provided and didn't believe this showed anything which would have caused CEN to decline the loan applications. Mr B had repaid the two smaller loans early and the third was in dispute due to the failed repayments, but Mr B had shown that he had the funds available to cover these repayments. Overall he thought the checks carried out by CEN were proportionate for each loan.

He also considered the complaint Mr B had made about his final loan being defaulted. He couldn't establish exactly why the payments hadn't gone through. CEN issued a notice of arrears email on 2 March 2018 and Mr B then made new payment arrangements with the business.

He said that CEN's records showed that it tried to contact Mr B by phone on eight occasions between 2 March 2018 and 14 March 2018 regarding the arrears. Mr B made a complaint to CEN on 27 March 2018 and made further payment arrangements in 31 March 2018. The next payment also failed and CEN issued a default notice on 18 April 2018.

The adjudicator thought CEN could have done more between 31 March and 18 April to contact Mr B regarding his arrears. However, the adjudicator noted that CEN hadn't registered a default on his credit file. As such he didn't believe CEN need take any further action. He said Mr B should make arrangements to repay the balance.

Mr B didn't agree and said that he had no record of CEN trying to contact him about the missed payments. It had failed to enter the correct debit card details and the failed payments were due to it making a mistake. He also said that he had a gambling habit and had applied for multiple loans many of which had been declined. However, he had been successful in taking out a number of loans, both short term and longer term. He said he had emailed CEN to let it know he had a gambling problem and that he was using the loan to consolidate existing debt.

He also supplied copies of his bank statements from 2017. These showed that his income was greater than CEN had believed and that he had a number of short term loans and was making regular payments to gambling firms.

### **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 have every sympathy with Mr B, but I find myself in agreement with the adjudicator. CEN is required to carry out checks before lending and those checks need to be proportionate to things like the size of the loan, the repayments, the customer's lending history and what the business already knows about the customer.

There are no set rules as to how these checks are carried out, but CEN has said that its affordability reviews were in line with Financial Conduct Authority guidelines. It undertook credit checks and validated Mr B's income and expenditure information. Having done so it carried out its own credit scoring which led it to conclude that the loans were affordable.

Mr B repaid the two smaller loans early and has said that he had the funds to maintain payments on the larger one, but these failed due to errors made by CEN. On that basis I can see no grounds for saying they were unaffordable. I appreciate the bank statements Mr B has supplied show that he had other loans and that he was spending money on gambling.

Some, if not all of the loans will have shown on the credit information CEN obtained prior to making the loans, but holding number of loans doesn't necessarily prevent further loans being made. It is unfortunate that CEN wasn't aware of Mr B's gambling, but it wasn't required to ask for bank statements and so I can't say that the checks it made weren't proportionate. His email about his gambling wasn't sent to CEN until after the last loan had been approved.

As for the failed payments, like the adjudicator, I cannot say how these occurred. I am satisfied that CEN sought to make contact with Mr B, but to no avail. I appreciate Mr B says he has no record of any such attempts, but I believe CEN did do so. It hasn't recorded a default against Mr B and so I have no reason to ask it to do anything in this regard. I think Mr B should contact CEN to arrange repaying his loan and in turn I would remind it to continue to work with Mr B positively and sympathetically in finding a way forward so that his debt can be repaid.

### **my final decision**

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 June 2019.

Ivor Graham  
**ombudsman**