

complaint

Mr M has complained that Instant Cash Loans Limited lent to him irresponsibly.

background

Our adjudicator considered that the information provided showed that in July 2010, Mr M had alerted Instant Cash Loans to the fact that he had a gambling addiction. Accordingly, he felt that Instant Cash Loans should have declined to lend to Mr M from this point onwards, as it would be irresponsible.

Instant Cash Loans agreed to refund the interest and charges for all loans arranged after July 2010, and for the period from 1 February 2010 to 7 June 2010, as a goodwill gesture. It also agreed to pay interest at 8% simple per annum, from the date of each payment to the date of settlement.

Mr M was happy with this, but asked that information about the loans should be removed from his credit file. The adjudicator thought this was a reasonable request, but Instant Cash Loans disagreed, on the basis that Mr M:

“... completed a lending questionnaire and the information was processed through the credit reference agency at the time of application there was no question at this point that the loan was affordable.

The principal loan amount has not been refunded, just the interest as a gesture of goodwill... Accurate information has been provided to the credit reference agencies in that a loan was taken out.”

As this issue remains outstanding, the complaint has been passed to me for my final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As it has been agreed that interest and charges will be refunded, I will not comment on this further, other than to say I agree it is a fair outcome, given that Mr M had made Instant Cash Loans aware of his financial circumstances.

I have therefore considered whether it is appropriate for the records of the loans to be removed from Mr M's credit file. I am satisfied that all records should be removed from the date that Mr M contacted Instant Cash Loans in July 2010. This is because the loans from this date should never have been given. If they had not been, then clearly they would not appear on his credit file.

However, I do not consider it appropriate for the loans before July 2010 to be removed. This is because Mr M could have informed Instant Cash Loans of his circumstances, but did not. I know this would have been a difficult thing for him to do, but nonetheless, I do feel he should take some responsibility for it.

my final decision

For the reasons given above, it is my final decision to uphold this complaint. I require Instant Cash Loans Limited to:

- a) refund the interest and charges for all loans arranged after July 2010, and for the period from 1 February 2010 to 7 June 2010, adding interest at 8% simple per annum, from the date of each payment to the date of settlement – if it has not done so already; and
- b) remove all records of the loans from Mr M's credit file(s), from the date that he contacted it in July 2010.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 29 June 2015.

Elspeth Wood
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