

complaint

Mr H's unhappy about Wage Day Advance Limited's irresponsible lending to him. He wants the amount he owes written off, compensation and his credit file amended.

background

Wage Day Advance says Mr H took out one loan for £300 on the 22 January 2016. It was repayable one month later. It would've carried out a credit search and bank account and identity checks. Mr H looked low risk and his loan was low in comparison to his stated disposable income. The loan wasn't rolled over at any point as Mr H suggests. It wasn't able to check whether he'd health issues. The fees and charges for the loan were made clear in the online application process and in the agreement Mr H signed.

Our adjudicator felt this complaint shouldn't be upheld. She said:

- Wage Day Advance is entitled to rely on the information Mr H gave it. The repayment of this loan was well within Mr H's disclosed disposable income. She can't agree it should've known the loan wouldn't be affordable for him.
- Wage Day Advance also ran a credit check which didn't show any adverse information which could've been a cause for concern. This was Mr H's first and only loan with it and the affordability checks it carried out were proportionate to the amount being lent. The fact Mr H had other loans at the time didn't automatically mean it should've declined his application.
- So, its lending wasn't irresponsible and she can't ask Wage Day Advance to do anything.

Mr H doesn't agree. In summary he says the checks weren't proportionate. It didn't ask for proof of his income. That was irresponsible. If it'd done so it would've seen he'd more going out than coming in. He didn't input the amounts or employment information into the application as it's not right. He couldn't have been working for two companies and this couldn't have been checked. His credit file showed he already had unaffordable loans. The loan wasn't affordable.

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.

Taking everything into account I think the checks carried out by Wage Day Advance were appropriate and proportionate to the loan amount applied for. It wasn't under an obligation, for example, to ask to see Mr H's bank statements. It was entitled to rely on the information he gave. I don't think it acted irresponsibly in granting this loan to Mr H based on the information it had at the time. The loan appeared affordable not least when considered against his declared disposable income.

Even so I would remind Wage Day Advance of its continuing obligation to treat Mr H positively and sympathetically so long as he continues to experience financial difficulties.

Although I recognise Mr H's strength of feeling and frustration, I don't think I can fairly or reasonably require Wage Day Advance to write off his outstanding debt, pay compensation or amend his credit file as he'd like. And I don't see any reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 November 2016.

Stephen Cooper
ombudsman