

complaint

Mr D complains that MMP Financial Limited, trading as Swift Sterling, gave him loans he couldn't afford to repay.

background

Mr D took out the following loans with Swift Sterling:

	date	£ amount borrowed / to be repaid (rounded)	date repaid
1	16 July 2016	250/272	27 July 2016
2	3 August 2016	700/1x 134 and 3 x 362	

Our adjudicator didn't think Swift Sterling was wrong to lend to Mr D. He said the checks Swift Sterling carried out before agreeing to lend to Mr D were sufficient and, based on the information it had, Mr D could afford to repay the loans.

Mr D didn't agree with the adjudicator. He said:

- His bank statements from around that time will show that he didn't realise what a financial state he was in.
- He had other payday loans that, in error, he didn't include in the information he gave to Swift Sterling.
- The information he gave to Swift Sterling about his outgoings was the minimum he was spending.
- He didn't realise exactly what he was spending.
- He had ill health and was gambling.
- Swift Sterling could've used the information in his credit file and asked him for more information. If it had done that, it wouldn't have given him the loans.
- He'd previously defaulted on another short-term loan from MMP Financial.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Before agreeing to lend to Mr D, Swift Sterling had to check each time that he could afford to make the repayments. The checks it did had to be proportionate. What's proportionate depends on things like the size of the loan repayments and the information it had about Mr D. There's no set list of the checks a lender should carry out.

Before agreeing to the loans, Swift Sterling asked Mr D about his income and expenditure, which it recorded as £2,000 and £1,420 respectively. The expenditure information included repayments for other loans. Based on the information Mr D gave to Swift Sterling, it seemed that he had disposable monthly income of £580 and that he could afford the repayments.

Swift Sterling says it also carried out credit and identity checks. A credit checks carried out by lenders usually show much more limited information than an individual can see from his own credit report. Swift Sterling has given us details of what it found out from the credit check. It knew that Mr D had two defaults in 2014, a repayment arrangement in relation to mail order debt, arrears on a loan and some credit card debt. I don't think there was anything arising from the credit check Swift Sterling did that should've prompted it to make further enquires before lending to Mr D.

Based on what I've seen, I think the checks Swift Sterling carried out were proportionate here. It appeared that Mr D could afford the repayments and there was nothing to indicate that it should've done more before deciding to lend to him.

Mr D says his bank statements would've shown a different picture and that he had other payday loans that, in error, he didn't include in the information he gave to Swift Sterling. I think in the circumstances here, Swift Sterling wasn't required to ask Mr D for his bank statements and was entitled to rely on what he told it about his finances.

Mr D says he had ill health and was gambling at the time of these loans. I've seen nothing to indicate that Swift Sterling knew about that and, in the particular circumstances here, I don't think it needed to do any more than it did before lending to Mr D.

I'm sorry to disappoint Mr D but, for the reasons I've explained, I don't uphold his complaint.

my final decision

My final decision is that I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 23 February 2018.

Louise Povey
ombudsman