

## **complaint**

Mr M complains that it was irresponsible for Loans 2 Go Limited to have lent to him in July 2015. He's being helped with his complaint by his mother.

## **background**

Mr M took out a £500 loan with Loans 2 Go in July 2014. The outstanding amount was £35.96 in July 2015 when he took out another £500 loan. He complained to Loans 2 Go earlier this year that the July 2015 loan was unaffordable for him and that it was irresponsible for it to have lent to him. He wasn't satisfied with its response so complained to this service.

The adjudicator didn't recommend that this complaint should be upheld. He concluded that the loan wasn't unaffordable. He noted that Mr M's income was correctly reported and verified by payslips, that Mr M had provided information about his expenditure and that a credit check was made. He noted that Mr M had had some difficulties in paying back the 2014 loan but in July 2015 only £35.96 of the loan was outstanding. So he concluded that Loans 2 Go wasn't acting irresponsibly by lending to Mr M in July 2015.

Mr M's mother – on his behalf - has asked for this complaint to be considered by an ombudsman. She says that Mr M's bank statements show that his monthly income was being spent within a few days and that he was using his overdraft. And she says they show other sources of cash as well as gambling payments. She says that the bank statements give the full picture of her son's financial problems and that any further loans wouldn't have been 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 sympathise with Mr M and his mother for the serious injuries that he has suffered.

Loans 2 Go lent £500 to Mr M in July 2014. He didn't make the monthly repayments that were due in August and November 2014 and May 2015 so charges were added. But he did make payments in July, September, October and December 2014 and January, February, March, April and June 2015 (and the payments in September 2014, January 2015 and June 2015 were double payments to make up for the missed payments). So by July 2015 the outstanding amount of the loan had been reduced to £35.96.

Mr M then asked Loans 2 Go for another £500 loan. He provided copies of his April, May and June 2015 payslips and his P60. He also itemised his expenditure and Loans 2 Go checked his credit report. It didn't check his bank statements – but there was no requirement for it to do so. I find that it was reasonable for it to conclude from the information that it did have that the loan was affordable for Mr M at the time that the loan was made to him. And I'm not persuaded that it was irresponsible for Loans 2 Go to have lent to him. So I find that it wouldn't be fair or reasonable for me to require Loans 2 Go to refund any interest or charges to Mr M or to take any other action in response to his complaint.

But Loans 2 Go is required to respond to any financial difficulties that Mr M is suffering both positively and sympathetically. And the adjudicator has provided contact details for some debt counselling services which would be able to provide help and advice to him.

**my final decision**

For the reasons set out above, my decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 August 2016.

Jarrold Hastings  
**ombudsman**