

complaint

Mr H complains that Casheuronet UK LLC lent irresponsibly to him.

our initial conclusions

Our adjudicator thought that given the very particular circumstances of Mr H's complaint Casheuronet hadn't done sufficient checks before it lent to him. She thought if it had done so it would've seen he was overstretched financially primarily because he was using the money for gambling. Further she thought it would've also seen he was borrowing heavily, repeatedly and unsustainably from other short term high interest lenders. And she thought no reasonable lender would've lent in these circumstances.

On this basis, our adjudicator, asked Casheuronet to refund the interest and charges Mr H paid in relation to the four loans he took out with it. And remove all information it might have registered about the loans on Mr H's credit file.

It seemed Mr H accepted this recommendation although he didn't expressly say so. Casheuronet rejected it. In summary, it repeated it thought the checks it had done had been sufficient. It had carried out a detailed income and expenditure checks. It relied on the information that Mr H provided for this and it all seemed to fit with everything it knew about him. It asked that an ombudsman review Mr H's complaint.

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've finished my review of Mr H's complaint. I'm upholding it. I explain below why this is.

When he took out the first loan Mr H was using a substantial amount of his disposable income to make the repayments. And given what else Casheuronet knew about Mr H I think this might reasonably have prompted it to ask him a few more questions about his borrowing and dig a bit deeper.

If it had done this, as I think it should've done, it would've seen that not only did Mr H have a history of using short term high interest finance in a way that suggested he was reliant on it, but that he was also gambling heavily and consistently and at an unsustainable level.

It seems that Mr H could've been more upfront about his financial situation. And did sometimes provide inaccurate information and I'm not saying he had no responsibilities here to be open and transparent. I do think his own actions helped him to get into deep water here. But in the circumstances I think Casheuronet should've reasonably taken more steps than it did to establish the true nature of Mr H's circumstances. And I think if it had done this it's unlikely that it would've gone ahead and lent to him.

my final decision

My final decision is that Casheuronet UK LLC should;

Refund all interest and charges Mr H paid in relation to the four loans he took out with it.

Remove any information it may have registered about the loans on Mr H's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 September 2016.

Joyce Gordon
ombudsman