

## **complaint**

Mr L complains that Avantcredit of UK Llc first offered him a loan but then withdrew the offer. He says that he had made arrangements to consolidate his debts when the loan was offered, and the withdrawal has left him in financial difficulty.

## **background**

Mr L applied to Avantcredit for a loan. And he received an email from Avantcredit confirming that his loan had been approved. But this offer was later revoked.

Avantcredit said that the email telling Mr L that the loan had been approved had been sent in error, before final checks were made. And it said that the reason the loan was subsequently refused was that some of the application details were identified as matching details held on the Credit Industry Fraud Avoidance System (CIFAS) database. It also said that, after it became aware of the error, a further system error meant that Mr L was not sent an email indicating that his loan had been declined.

Our adjudicator thought that Avantcredit hadn't dealt with Mr L's complaint fairly. She accepted that Avantcredit had acknowledged its mistake very quickly and had apologised for what had happened. And she was satisfied that Avantcredit was entitled to carry out checks and refuse the loan on the basis of the information it received. But she thought it should compensate Mr L for the conflicting information it had given by paying him £100 for his distress and inconvenience.

Avantcredit doesn't agree with the adjudicator's conclusions. It says that it is inappropriate for it to pay compensation as the application was rejected due to adverse information on the CIFAS database that indicated that the application could have been fraudulent. And it says that Mr L hasn't provided any evidence that he acted to his financial detriment.

Mr L says that Avantcredit has confused him with someone else. He says that Avantcredit should compensate him for not honouring the loan agreement.

## **my findings**

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

The email Avantcredit sent to Mr L said that the loan had been approved, and that he would receive the funds into his bank account that day. It attached a copy of the contract and other information. I consider it reasonable for Mr L to consider that the loan had been approved on the basis of this email.

Avantcredit has accepted that it made an error when it sent the email. It has apologised for the error. But it says that it wouldn't be appropriate in the circumstances for it to pay Mr L any compensation.

I've carefully considered what Avantcredit has to say. But, having done so, I find that it is reasonable for Avantcredit to pay Mr L compensation for his loss of expectation. I consider £100 compensation to be fair in the circumstances.

**my final decision**

My decision is that I uphold this complaint. I order Avantcredit of UK Llc to pay Mr L £100 compensation for his loss of expectation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 1 July 2016.

Alison Cribbs  
**ombudsman**