

## **complaint**

Mr P complains that Everyday Loans Limited gave him a loan that was unaffordable for him and didn't carry out proper checks before agreeing the loan.

## **background**

Mr P took out an unsecured loan with Everyday Loans in October 2016 for £5000. The monthly repayments were just over £250 pounds over 36 months. The purpose of the loan was for the costs of attending a funeral and to pay off some debt. Mr P made overpayments on the account of around £100 per month until a payment was declined in January 2017.

Mr P then complained to Everyday Loans. He said he shouldn't have been given the loan as he couldn't afford it and this would've been clear if proper checks had been carried out. He asked for interest and charges on the loan to be refunded to him along with statutory interest and the loan to be removed from his credit history. Everyday Loans looked into his complaint but said it had carried out checks which showed the loan to be affordable so it rejected his complaint. Mr P brought his complaint to this service but our investigator didn't think it should succeed. So he asked for review by an ombudsman.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Based on what I've seen, I don't think this complaint should be upheld and I'll explain why.

I've looked at the information Everyday Loans considered before granting the loan. This included information about Mr P's salary, bank statements and credit checks. Although there was some outstanding debt, the information provided didn't show particular financial difficulties at the time. Everyday Loans asked for further information about Mr P's accommodation which he provided. It also asked for clarification about evidence of gambling and was satisfied with his response that he only gambled what he could afford to lose. Finally, it queried a record of default Mr P says he also had significant outstanding debt in the United States. But this wouldn't appear on UK credit checks and as he didn't mention it to Everyday Loans at the time, they couldn't have known about this.

For the first couple of months after taking out the loan, Mr P made overpayments of almost £100 per month. This seems to show the loan was affordable at the time he took it out even if he has since struggled to make payments. I'm very sorry to hear about Mr P's current financial difficulties. But I need to consider whether or not it was reasonable for Everyday Loans to think the loan was affordable at the time of the sale, not with the benefit of hindsight. Overall, I don't think Everyday Loans was wrong to lend to Mr P based on the information it had in October 2016. I note that Everyday Loans is engaging with Mr P to find away through his current problems and I hope he'll find a solution.

## **my final decision**

For the reasons given above, it's my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 July 2017.

Susie Alegre  
**ombudsman**