

complaint

Mrs F complains that WDFC UK Limited (trading as Wonga.com) didn't carry out proper affordability checks and irresponsibly granted her unaffordable payday loans. She says she kept borrowing and took out new loans to pay off the previous ones. She wants the interest and charges refunded.

background

Our adjudicator felt this complaint should be upheld. She said:

- Wonga granted Mrs F 11 loans in a period of just over eight months in 2010.
- Wonga could've done more checks to see if the loans were affordable. There was a trend of increasing borrowing from the loan taken out on 1 October 2010.
- So, Wonga should refund all interest and charges on all loans from 1 October 2010.

Wonga hasn't responded to the adjudicator's opinion.

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 agree with the adjudicator's conclusions for the same reasons. I think the adjudicator's recommendation for a refund of interest and charges from 1 October 2010 is fair. But I also think Wonga should pay interest on the payments Mrs F made after that date. It should also remove any information on his credit file relating to loans granted after this date.

my final decision

I uphold this complaint and I require WDFC UK Limited (trading as Wonga.com):

1. To refund all interest and charges on all loans from 1 October 2010 plus pay simple interest at the rate of 8% a year from the date each sum was paid until the date of settlement; and
2. To remove any information on Mrs F's credit file relating to all loans taken out from 1 October 2010.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 8 April 2016.

Stephen Cooper
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