

complaint

Mr D complains that EuroNetCash LLC, trading as On Stride Financial, irresponsibly lent him money without properly carrying out checks of whether he could afford to repay it.

background

In December 2016 Mr D borrowed £4,000 from On Stride Financial over a term of three years. He's complained as he feels they didn't do enough to check whether he could afford the loan. He's said they didn't ask him for his bank statements, which would've shown that he's been struggling with a gambling problem.

On Stride Financial said they'd asked Mr D about his income and financial commitments. They said they use systems and procedures to assess an applicant's creditworthiness and make sure a loan was affordable and repayable in a sustainable manner. They'd asked Mr D for a bank statement and he hadn't wanted to provide it.

Our adjudicator thought On Stride Financial had acted fairly. She said Mr D had given them details about his income and outgoings and the payments for the loan were affordable. They also checked Mr D's credit record at the time, and this hadn't alerted On Stride Financial to any potential problems affecting their decision to offer him the loan.

Mr D asked for his complaint to be reviewed. He was told not to bother providing his wage slips or bank statements, and wasn't asked whether the loan would be used for gambling. He feels the service he received was poor and there was a lack of communication from them.

my findings

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

And having done this, I've reached the same conclusion as the adjudicator.

On Stride Financial looked at Mr D's income and expenditure, and carried out checks with credit reference agencies. From this, it was satisfied that Mr D had enough disposable income left over to make the loan repayments affordable for him. They did ask Mr D for a copy of a bank statement, but he questioned why this was.

I see that Mr D asked about topping-up the loan after making a certain amount of repayments to it. And I think this suggests that he felt the monthly repayments were affordable at that time and that he'd be able to continue to meet them. Mr D made the first three months of repayments before complained.

Taking everything into account, I don't think On Stride Financial were irresponsible in their decision to offer Mr D the loan he'd applied for.

On Stride Financial didn't receive the complaint when Mr D first raised it, and only began to look into it after we contacted them. They apologised to Mr D for the confusion this caused and the delays. They offered to pay Mr D £50 in recognition of this and I think that's reasonable in the circumstances. I leave it for Mr D to contact On Stride Financial directly, if he now wishes to accept this.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 24 July 2017.

Cathy Bovan
ombudsman