

## **complaint**

Mr G complains that Apfin Ltd (trading as cashasap.co.uk) gave him a loan that he couldn't afford to repay.

## **background**

Mr G was given one loan by Apfin in August 2016 – he borrowed £250. Mr G hasn't been able to repay that loan, and an outstanding balance remains. In its response to Mr G's complaint Apfin offered to reduce the balance that Mr G needs to repay.

Mr G's complaint has been assessed by one of our adjudicators. He thought that Apfin had done proportionate checks before lending to Mr G, and those checks suggested that the loan was affordable. So he didn't recommend the complaint should be upheld. Mr G disagrees with that assessment and has asked that his complaint be decided 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. I've also taken into account the law, any relevant regulatory rules and good industry practice at the time the loan was offered.

Apfin was required to lend responsibly. It needed to make checks to see whether Mr G could afford to pay back the loan before it lent to him. Those checks needed to be proportionate to things such as the amount Mr G was borrowing, and his lending history, but there was no set list of checks Apfin had to do.

Apfin has shown us the results of the checks it did before lending to Mr G. It asked him about his income, and his normal monthly expenditure. And it checked his credit file. I've reviewed the results of the credit check that Apfin did, and I've not seen anything on Mr G's records to have caused additional concern to the lender.

The amount that Mr G needed to repay was relatively modest compared to what he told Apfin he was earning each month. And this was the first loan that he'd taken from the lender. So I think that it was reasonable for Apfin to make its lending decision based on the information that Mr G provided. He said that he had over £750 left over each month that he could use to make his repayments.

I appreciate that Mr G has said that he was taking a number of other short term loans at the same time. And that he was spending large amounts of money on gambling transactions. But at this stage of its relationship with Mr G, and considering the amount he was asking to borrow, I think Apfin was entitled to rely on the expenditure information that Mr G declared. I don't think it needed to check further into his financial situation by for example asking him to verify the information he was giving by providing copies of his bank statements.

I think the checks that Apfin did were proportionate. And the results of those checks suggested that Mr G would be able to afford to repay the loan. So I don't think Apfin did anything wrong in giving this loan to Mr G.

As I said earlier, Mr G still owes money to Apfin in relation to this loan. Apfin offered to reduce the amount that Mr G needed to pay. I'd encourage Mr G to get in touch with Apfin to discuss his outstanding balance. And I'd remind Apfin of the need for it to continue to treat him positively and sympathetically in those discussions.

**my final decision**

For the reasons given above, I don't uphold the complaint or make any award against Apfin Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 23 October 2017.

Paul Reilly  
**ombudsman**