

complaint

Mr G complains that Cash On Go Limited (trading as Peachy.co.uk) lent to him irresponsibly.

background

Mr G took and repaid a number of loans from Peachy during 2012. He says that he was taking loans practically every month during the period, and that they were all unaffordable for him because he had other debts and was borrowing from other short-term lenders.

Mr G explains that, at the time, he had a gambling problem. He does not understand why Peachy did not question why he was borrowing so many times, and considers that the total interest he had to pay was excessive and unfair.

Peachy said it had made a reasonable assessment of creditworthiness before lending to Mr G and that the loans it had given him had virtually all been repaid on time or early. It did not accept that it had been irresponsible, or that Mr G had been treated unfairly.

As things weren't settled, Mr G brought his complaint to this service where an adjudicator investigated it. From the evidence, the adjudicator wasn't persuaded that Peachy had treated Mr G unfairly. The adjudicator considered that Peachy had taken reasonable steps to assess affordability, given the small size of the individual loans and the repayment history. Overall, the adjudicator did not recommend that the complaint should succeed.

Mr G did not agree and said, in summary:

- He told Peachy about his problems towards the end of his series of loans.
- Peachy should have made extra checks on his financial position much earlier.
- He complained to another short term lender and received a refund.

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 loans that Mr G took with Peachy were for low value amounts. Only one of the loans was extended – the others were fully repaid either on time or early. The financial information that Mr G gave Peachy when he applied to borrow appeared easily to support the loans he asked for.

Unfortunately, it seems that the financial information did not accurately reflect the situation that Mr G says his finances were in. I can see from his bank statements that, whilst he was not in debt on his current account, he was moving money around and balancing his cash flow by moving money in and out between other accounts and from different lending sources.

But I am not persuaded that Peachy was under a duty to Mr G to look into his finances to that depth when it was lending small amounts that Mr G was, on the face of it, repaying without difficulty and often early.

Peachy was only made aware of the problems right at the end of the series of borrowing. Concerned about an anomaly highlighted in a credit check, it also asked to see Mr G's bank account statements and then rejected his final loan application.

In all the circumstances, I am not persuaded that Peachy lent irresponsibly to Mr G or that it treated him unfairly. It follows that I cannot uphold his complaint. My decision on the merits has been made after a review of the specific facts and circumstances of this case, and I am not able to offer any comment on why another short term lender may have taken a different approach when Mr G complained to it.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 March 2016.

Jane Hingston
ombudsman