

complaint

Mr I complains that Madison CF UK Limited, trading as 118 118 Money, lent him money irresponsibly.

background

Mr I applied for a 118 118 loan in December 2015 for £2,000 over two years. He says he had a gambling problem at the time, and 118 118 should've known that from looking at his bank statements and not lent to him.

118 118 says it didn't ask Mr I for his bank statements, but did carry out affordability checks before agreeing to lend. It says it didn't know about Mr I's gambling problems.

Mr I complained to us and our adjudicator didn't uphold his complaint. She thought 118 118 had carried out affordability checks and wouldn't have known what Mr I intended to do with the money.

Mr I doesn't accept that view. He says he sent 118 118 copies of his bank statements and says they would've been used to confirm his income. He would like the loan written off and any interest payments refunded to him.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've come to the same overall conclusion as the adjudicator for the same reasons. I realise Mr I will be disappointed by my view, but I don't think 118 118 could've known about his gambling problems before lending to him.

I've looked through 118 118 records of Mr I's loan application and can see it carried out affordability checks before agreeing to lend money to him. Those checks suggest the loan was affordable at the time. I can't see any request for Mr I's bank statements by 118 118 or copies of them on 118 118's records. So I think on balance it's unlikely such a request was made.

I appreciate Mr I says the statements were used to confirm his income, but 118 118 says it uses other ways to check income. I can also see from 118 118's records that the income check it used suggested Mr I was earning less than he had recorded on the application form and less than the bank statements showed. In those circumstances, I think it's more likely that 118 118 used an industry income check system rather than using the bank statements to confirm income.

I've also looked at Mr I's bank statements, and I don't think that even if 118 118 had seen them, it would have been obvious what some of the transactions were for, or that Mr I had a gambling addiction.

For those reasons I can't fairly say that 118 118 has lent money irresponsibly to Mr I.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 9 June 2017.

David Singh
ombudsman