

complaint

Miss P complains that Uncle Buck Finance LLP made short-term lending to her when it shouldn't have.

background

In 2014 Uncle Buck made one loan to Miss P. She later complained that it hadn't been affordable for her.

The adjudicator didn't recommend that the complaint should be upheld. She thought that - considering the loan amount and the checks it carried out – Uncle Buck wasn't wrong to lend to Miss P.

Miss P disagrees with the adjudicator's opinion. She says, in summary, that she was vulnerable and desperate and Uncle Buck didn't do enough checks.

my findings

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

Before agreeing to lend to Miss P, Uncle Buck had to check that she could afford to make the repayment. The checks it did had to be proportionate. What's proportionate depends on things like – but not limited to – the size of the loan repayments and the information Uncle Buck had about Miss P.

From its records and her bank statements, I think Uncle Buck made the following loan to Miss P:

25 June 2014	£200.00
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From its file, I see that - before making the loan - Uncle Buck did a credit check. I think the results showed the number of recently-opened accounts – but not details of short-term loans from other lenders.

From a screenshot, I accept that Uncle Buck asked Miss P her monthly income and expenditure. She said her monthly salary was £2,500.00 and her other income was £2,500.00. That's a total monthly income of £5,000.00. Miss P said her monthly expenditure was £215.00.

These figures indicated more than enough disposable income to make the repayment on a loan of £200.

So I'm satisfied that Uncle Buck did enough checks.

In the circumstances Uncle Buck knew of, I wouldn't expect it to ask Miss P about other short-term loans or for copies of her bank statements.

Therefore I don't find it unreasonable that Uncle Buck didn't find out that Miss P was spending heavily on gambling, had a number of short-term loans and couldn't afford repayment of another.

I accept Miss P's evidence that Uncle Buck offered her the option to roll-over the capital if she paid extra interest. I don't share her view that this was inappropriate.

From its file, I'm satisfied that – when she told it she was in financial difficulty – Uncle Buck offered a repayment plan. I don't think it failed to respond positively and sympathetically.

I accept Uncle Buck's record that Miss P hadn't repaid the capital amount of the loan before it transferred the account to another company.

Therefore I don't think it would be fair and reasonable to order Uncle Buck to make any refund to Miss P.

And – as I haven't found that it shouldn't have made the loan to her – I don't think it would be fair and reasonable to order Uncle Buck to remove adverse information from Miss P's credit file.

my final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I make no order against Uncle Buck Finance LLP.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 16 June 2017.

Christopher Gilbert
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