

complaint

Mr M complains that Madison CF UK Limited trading as 118118 Money irresponsibly lent him money which he says was unaffordable.

background

Mr M says he borrowed £3,500 in August 2018 but at the time was in financial difficulties due to a gambling addiction. He says 118118 Money didn't carry out sufficient checks on his finances and that he understated his outgoings in order to get the loan. Mr M says a check of his bank statements would have shown the level of his financial problems and gambling. He would like the interest cancelled on the loan.

118118 Money says it carried out checks on Mr M's application with the Credit Reference Agencies (CRA's) and doesn't accept making a mistake. It says it spoke to Mr M about the loan and he confirmed the information was correct.

Mr M brought his complaint to us but our adjudicator didn't think 118118 Money had acted unfairly or made a mistake. The adjudicator thought Mr M had said in his application he earned about £2,350 a month with outgoings of about £590. He also thought 118118 Money had provided evidence that it had credit scored Mr M's application and it was Mr M's responsibility to provide accurate information.

Mr M doesn't accept that view and says the information on his credit file should have led to 118118 Money carrying out further checks. He says the lending as made his position worse.

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 view as the adjudicator for the same reasons. I realise Mr M will be disappointed by my decision.

I've looked at Mr M's application and I'm satisfied that on the face of it the loan was affordable as Mr M was in full time employment and had declared his outgoings as £590. I'm also satisfied that 118118 Money did carry out checks on the information Mr M provided and also looked at his credit file. So I think 118118 Money did carry out reasonable and proportionate checks on Mr M's application before approving it. I also think it spoke to Mr M and asked him to confirm the information he provided was accurate.

I appreciate Mr M says he understated his outgoings in order to obtain the loan and I also appreciate that at the time he had a gambling addiction. But I can't fairly hold 118118 Money responsible for that and I also think that it was Mr M's responsibility to provide accurate information. For the reasons I've explained I don't think 118118 Money simply accepted what Mr M said and that it checked his credit file and the information he gave it. I've also looked at Mr M's credit file and have come to the conclusion that the lending was not irresponsible or unaffordable. I can see that Mr M has made regular loan repayments to 118118 Money and has repaid about £3,000. So I think that also suggests the loan was affordable.

Overall as I'm satisfied that 118118 Money hasn't made a mistake or acted unfairly I can't ask it to write off the interest on the loan.

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 M to accept or reject my decision before 20 June 2019.

David Singh
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