

complaint

Miss C complains that WDFC UK Limited (trading as Wonga.com) didn't carry out proper checks and irresponsibly lent money to her when she was in financial difficulty.

background

Miss C took out 15 payday loans with Wonga in about a 27 month period from June 2011. She says they weren't affordable and shouldn't have been granted. She had other payday loans with other providers and used them to pay off her Wonga loans. Its continuing borrowing made her financial difficulties worse. She wants the interest and charges refunded and compensation.

In its final response to Miss C's complaint Wonga offered to refund interest and charges on six of her loans between October 2011 and May 2013 plus pay interest on them. It offered to refund a total of £2,580.70.

Miss C isn't happy with this offer.

Our adjudicator felt that this complaint should be upheld. He noted Wonga had lent significant amounts to Miss C from the start. The first three loans were taken out back to back for increasing amounts. Miss C then delayed repaying a loan but when it was paid off another was again taken out immediately. Wonga's offer of a refund on six loans isn't fair. It should've known from her account history on 12 August 2011 that she'd money problems. So, it's reasonable for it to refund all interest and charges on all loans from 12 August 2011 plus interest. It should also remove all reference to all loans from this date from Miss C's credit file.

Wonga hasn't responded to the adjudicator's opinion.

Miss C also says she told Wonga in early 2012 that she had a serious illness, was on benefits and wouldn't be able to pay loan in full. But it still kept lending money to her. She had to use other pay day loans to pay it off.

my findings

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

Some of the evidence in this case is incomplete, inconclusive or contradictory. So, I've made my decision based on what I think is more likely to have happened than not.

I agree with the adjudicator's conclusions for the same reasons. But I think Miss C has also inevitably suffered some upset and inconvenience because of the way Wonga's handled matters. She was clearly reliant on payday lending, in financial difficulty and was using other payday loans to pay Wonga. And it also appears Wonga ignored the information she gave it and continued lending to her when she had a serious illness and was on benefits. I think this warrants a payment of £100 compensation.

my final decision

My decision is that I uphold this complaint and I require WDFC UK Limited (trading as Wonga.com), if it hasn't done so already:

1. To refund to Miss C all interest and charges on all loans from 12 August 2011 plus pay simple interest on each sum at the rate of 8% a year from the date each was paid until the date of settlement;
2. To remove any information on Miss C's credit file relating to all loans taken out from 12 August 2011; and
3. To pay £100 compensation to Miss C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 8 February 2016.

Stephen Cooper
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