

## **complaint**

Mr H complains that WDFC UK Limited (trading as Wonga.com) didn't carry out proper affordability checks and irresponsibly granted him unaffordable payday loans. He wants the charges and interest refunded plus interest.

## **background**

Wonga said in its final response that it considered the information he'd given it. It would carry out a credit reference agency check and use its own underwriting system. There's no indication that Mr H's loans were unaffordable.

Our adjudicator felt this complaint should be upheld. She said:

- Wonga granted Mr H 38 loans between January 2012 and November 2013.
- Wonga was aware of his income but not his expenditure which would've helped determine his disposable income.
- Mr H borrowed every month, sometimes multiple times. There was a clear dependency on the loans. At the point Mr H took out the fifth loan further questions should've been asked as this was when there was a dramatic increase in borrowing.
- So, Wonga should refund all interest and charges on loans 5 to 38 plus interest. All these loans should also be removed from his credit file.

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

## **my findings**

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

I agree with the adjudicator's conclusions for the same reasons.

Wonga hasn't shown it carried out proper checks when Mr H applied for the loans. It doesn't appear to have considered his outgoings and disposable income. And I don't think it could've known if the loans were affordable. It was also clear from an early stage that Mr H was reliant on these short term loans for long term borrowing.

So, I think the adjudicator's recommendations including a refund of interest and charges on loans 5 to 38 are fair and reasonable. And I don't see any reason to change the proposed outcome in this case.

## **my final decision**

I uphold this complaint and I require WDFC UK Limited (trading as Wonga.com):

1. To refund all interest and charges on loans 5 to 38 plus pay simple interest at the rate of 8% a year from the date each such sum was paid until the date of settlement; and

2. To remove any information on Mr H's credit file relating to loans 5 to 38.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 July 2016.

Stephen Cooper  
**ombudsman**