

## complaint

Mr H complains that WDFC UK Limited (trading as Wonga.com) was irresponsible to lend him money and it made his financial hardship worse.

## background

Mr H had four instalment loans from Wonga between May 2016 and July 2017 as follows:

<u>Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Repaid</u>	<u>Term</u>	<u>Notes</u>
1	19 May 2016	£150	25 Aug 2016	3 months	
2	16 Sep 2016	£173	24 Nov 2016	3 months	
3	5 Apr 2017	£150	1 Jul 2017	3 months	1 late payment
4	11 Jul 2017	£280	N/A	6 months	Balance outstanding

Mr H says he was applying for loans from Wonga in quick succession and that that, plus late payments, should have alerted it to the repayments being unaffordable. Mr H added that he was in a debt spiral and had to borrow from his parents to repay the loans.

Wonga says it checked Mr H's income and credit file and wasn't aware of any factors that indicated unaffordability. It urged Mr H to get in touch if he was struggling to repay loan 4.

Our adjudicator did not recommend the complaint should be upheld. She was satisfied that Wonga did enough checks before approving the loans and that nothing in those checks would have indicated the loans were unaffordable.

Mr H responded to say, in summary, that the credit checks would have shown his debt levels were out of control and that he had several other loans with short-term loan providers. He said Wonga should have seen he couldn't repay the loans without further borrowing.

## my findings

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

Wonga was required to lend responsibly. It should have made checks to make sure Mr H could afford to repay the loans before it lent to him. Those checks needed to be proportionate to things such as the amount Mr H was borrowing, and his lending history. But there was no set list of checks Wonga had to do.

### Loans 1 to 3

When Mr H applied for these loans, he said his income was £1,800 per month. As none of the scheduled repayments on the loans was more than £80 per month, I think the income information, plus a credit check, was sufficient to decide the loans were affordable.

### Loan 4

This loan was Mr H's fourth in 14 months, and it was for more money. I think proportionate checks should have included asking Mr H about his expenditure. Wonga did this, and Mr H said he spent roughly £450 per month. As this loan was to be repaid over 6 months, the repayments were about £84. So I can understand why Wonga approved the loan.

I acknowledge Mr H is now saying his expenditure was actually higher than he'd declared at the time, and he had multiple other short-term loans, but I'm satisfied Wonga was entitled to rely on the information Mr H had provided. Based on Mr H's self-declared income and expenditure, the scheduled repayments, and Mr H's previous loan repayment history, I find Wonga's checks went far enough for each loan.

So, I don't consider Wonga was wrong to approve any of the loans.

**my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 March 2018.

Amanda Williams  
**ombudsman**