

complaint

Mr C has complained that Casheuronet UK LLC, trading as Pounds To Pocket, acted irresponsibly in extending his borrowing.

background

Mr C took out a loan of £1,150 with Pounds To Pocket in October 2012. This was due to be repaid in 12 monthly instalments of £180.

Mr C has said that Pounds To Pocket invited him to borrow further funds, which he did twice in June and August 2013. However, Mr C has said that at this time he had numerous payday loan debts elsewhere, including with another Casheuronet company. He feels that Pounds To Pocket contributed to the financial difficulties he later found himself in, and this further lending was irresponsible.

But when he complained to Pounds To Pocket, it informed him that he'd previously accepted a settlement from Quick Quid and this was in respect of his Pounds To Pocket loan too. Mr C maintains that he had only previously complained to Quick Quid and did not expect it to deal with his complaint about Pounds To Pocket.

Our adjudicator upheld the complaint, as he felt it was inappropriate for Pounds To Pocket to have extended Mr C's borrowing in 2013, owing to the financial position he was in at that time.

Pounds To Pocket has not replied to the adjudicator's assessment.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Pounds To Pocket has objected to us considering this matter as Mr C has already accepted an offer in full and final settlement of his complaint. The trouble is this offer was not made by Pounds To Pocket, it was made by a different Casheuronet company. Accordingly, I am satisfied that we can consider the complaint.

Unfortunately, Pounds To Pocket has not provided much documentation to support its lending decisions. But Mr C has provided a copy of his credit file and statements showing his borrowing history with Pounds To Pocket.

From this, I think it is fair to say that whilst his initial loan of £1,150 taken out in October 2012 does not seem unaffordable; given his financial position by the June 2013, I think the decision by Pounds To Pocket to offer him further borrowing was poor and not in line with OFT guidance.

Certainly by this point, Mr C had taken a number of consecutive payday loans with a large number of companies. This suggests to me that Pounds To Pocket had not carried out a suitable check to determine whether the decision to extend his borrowing was appropriate or responsible.

As the June and August loans should not have been granted, it follows that all information in respect of them should be removed from Mr C's credit file.

I am also satisfied that this matter has caused Mr C some distress and inconvenience, for which I consider £100 compensation to be appropriate.

my final decision

For the reasons given above, it is my final decision to uphold this complaint. I require Casheuronet UK LLC, trading as Pounds To Pocket, to:

- a) refund Mr C all interest and charges he paid in respect of the top-ups granted in June and August 2013, adding 8% simple interest per annum, from the date of each payment to the date of settlement;
- b) remove any information in respect of these loans from Mr C's credit file; and
- c) pay him £100 compensation.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 24 July 2015.

Elspeth Wood
ombudsman