

complaint

Mr F has complained that Lendy Ltd misrepresented information which induced him to invest (lend) a significant amount of money through Lendy's platform. He now stands to lose a lot of what he invested due to this wrong information.

background

Lendy provides an electronic system (platform) in relation to lending which enables investors to lend or invest in loan contracts with borrowers within a peer to peer lending environment. The contracts are between each borrower and each lender and Lendy just facilitates this transaction.

Mr F used Lendy's website to find a development property to invest in. He wanted to invest around £20,000. He had been using Lendy's platform since about 2014 and in total has invested around £300,000.

Mr F has said he based his decision to invest in this property on the loan to value information on the first page relating to this particular property transaction on Lendy's platform. He has said he didn't read the loan particulars or conduct his own due diligence because he had been using Lendy for so long that he felt familiar with the process. He's said he trusted Lendy to present accurate figures as had happened in the past.

After investing his money Mr F discovered that the development property could be repossessed by Lendy which could result in a large financial loss to him. This prompted him bringing the complaint to this Service.

The complaint was assessed by one of our investigators who was of the view it couldn't be upheld. He felt that the second page in the online process provided all the accurate and clear information about the loan. And Mr F had made his decision based on the information on page one alone and had chosen not to review the further information that had been provided to him. So he felt that Lendy had provided all the information it had to enable Mr F to make an informed decision.

Mr F didn't agree with the assessment and remained of the view Lendy had purposely misrepresented the information and had manipulated figures to induce investors. He said that the information on the first page was grossly wrong and had he been given the correct information he wouldn't have invested in this property. He also stated that the way Lendy calculates and presents its figures is malpractice and completely disregards FCA guidelines.

The investigator considered Mr F's comments but didn't feel it changed his initial assessment. So as no agreement could be reached the complaint has been passed to me to review.

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 agree with the outcome reached by the investigator.

I have taken account of everything Mr F has said and I do appreciate his view point. I understand why he feels he was induced into lending the money for this particular

investment. But I can't ignore the fact that there was a second stage in the process, where the details of the transaction were clarified and confirmed and where Mr F had the opportunity to, and should have, read all the relevant reports that applied. Moving to this second page wasn't an option, it was part of the entire process and only on this second page was there the "button" which had to be clicked to authorise the transaction.

Having this second stage doesn't absolve Lendy of ensuring all the information it shows is correct however it does provide a second stage of checks and balances where details can be clarified.

I think it's reasonable to expect anyone using this platform to be aware of the terms and conditions and to read all of the information throughout the entire process to ensure they were fully informed of everything they were signing up to.

I know Mr F has said that Lendy is manipulating figures to attract lenders and is involved in some malpractice. But I can't comment on that. All I can do is decide on whether I think an error has occurred and if so try to fix it.

In this case as I've already explained while I do agree the information on the first page of the website could be construed as being misleading I think the second page which had to be viewed before the investment could be made clarified all the necessary details. Had Mr F read that page fully, as he was required to do, he would have seen the information that was relevant to him making his decision to invest.

Ultimately the correct information was available in those two online pages but Mr F chose to not read this. And I can't hold Lendy responsible for this.

my final decision

My final decision is that I don't uphold this complaint and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 May 2018.

Ayshea Khan
ombudsman