

complaint

Mr D has complained that several short term loans granted to him by WDFC UK Limited trading as Wonga.com ("Wonga") were unaffordable for him.

He further complained that Wonga's offer of redress didn't take into account that he had suffered with depression and anxiety as a result of Wonga's actions.

And he's since complained that Wonga didn't make it clear that the settlement it offered didn't cover all of the loans he had with it. He says he wouldn't have accepted the offer if he realised this.

background

I recently issued a provisional decision on this complaint, an extract of which is attached and forms part of this final decision. I set out the background to Mr D's complaint in my provisional decision, so I won't repeat that information here.

In my provisional decision I explained why I didn't think Wonga should do anything more than it had already to resolve Mr D's complaint. I asked everyone to send me any further comments and information before I reached a final decision.

Neither Mr D nor Wonga have provided anything further for me to consider, or asked for any extra time to do so. And the deadline to do so has now passed, so I'm issuing this final decision.

my findings

I've re-considered all the evidence and arguments already sent to us to decide what's fair and reasonable. And in the absence of any new arguments, I've reached the same conclusions I reached in my provisional decision, for the same reasons.

my final decision

For the reasons I've explained above and in my provisional decision I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 4 June 2018.

Adam Golding
ombudsman

extract of provisional decision

complaint

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background

Wonga says it agreed 12 loans for Mr D between April 2013 and January 2014.

Mr D complained to Wonga about his loans in 2017. It sent him a final response to his complaint on 19 May 2017. In its letter Wonga explained the outcome of its investigation. It upheld his complaint about four loans and made an offer to settle by refunding the interest and charges he paid towards those four loans and removing the adverse information about those loans from his credit file.

On 31 May 2017 Mr D contacted Wonga to raise concerns about the offer he received. He explained he was suffering with anxiety and depression during his borrowing. He explained he had lost his job as a result of this and was disappointed that although Wonga had accepted there may have been more it could've done to assist him, that it hadn't made any offer of compensation to reflect his situation.

Wonga advised Mr D that it had already given its final response to his complaint, so it suggested he should bring his complaint to our Service. Mr D explained that he wasn't complaining about the refund he'd been offered. His issue was that Wonga hadn't offered compensation for the distress he'd experienced.

Mr D wanted reassurance from Wonga that if he accepted the offer it had made, that he'd still be able to pursue a new complaint about the lack of compensation. Wonga advised Mr D that accepting the offer wouldn't prevent him bringing that new complaint.

Mr D accepted the offer on 31 May 2017 and payment of the offer was processed on 2 June 2017.

Wonga didn't uphold Mr D's complaint about the compensation. It said all aspects of his complaint, including what it knew about his wellbeing at the time had been taken into account before it made the offer of full and final settlement.

Mr D wasn't satisfied with Wonga's response. So he brought his complaint to our Service. One of our adjudicators looked into Mr D's complaint. She thought that because Mr D had accepted a full and final settlement from Wonga that our service shouldn't look at whether Mr D should have the interest refunded on more of his loans.

Our adjudicator also didn't think that Wonga should've done anything more in respect of Mr D's anxiety and depression. She said she couldn't see that Wonga had been made aware of Mr D's circumstances at the time of lending. So she didn't think it could've taken reasonable steps to help Mr D at the time.

Mr D remains dissatisfied, so the complaint has been passed to me for a decision.

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've looked at Wonga's final response letter. In it Wonga explained that it had investigated Mr D's complaint. It accepted that there may have been more it could've done in respect of four of the loans it provided. And it made an offer to settle the complaint by refunding to Mr D interest and fees he'd paid (and some additional interest) in respect of those loans. It also offered to remove details of the identified loans from Mr D's credit file.

The letter also explained to Mr D that he had the right to refer the matter to this Service within six months of its date if he wasn't happy with the outcome.

This is what Wonga's letter said in relation to the offer:

"Please note the offer outlined in this letter is made in full and final settlement of all aspects of your complaint. If you wish to accept this offer, please reply to this email typing your details in to the relevant boxes of the acceptance form below. Alternatively, you can also print, fill and sign the below form and send it back by post or as an attachment in a reply to this email."

I note that the paragraph was in bold font so it stood out from the rest of the letter.

Mr D has said he only accepted the offer as he believed it was a full refund on all of the loans he took out. And he's explained that he was advised by Wonga during a phone call that he'd still be able to raise a separate complaint about the distress and anxiety he'd suffered.

I've also listened to a call between Mr D and Wonga that took place before he accepted the offer. In the call Wonga's adviser explains to Mr D that there were loans that weren't included in his final response letter because they were deemed affordable at the time. So it reiterated that it wouldn't change the final response.

Mr D explained that he wasn't querying the amount of the refund. He said his issue was that Wonga had recognised that he suffered from anxiety and depression but not offered compensation.

I appreciate that Wonga's final response, which included the offer, didn't explicitly say that Mr D had taken out twelve loans overall. But it did state that when investigating Mr D's complaint it had considered "*all of your successful loan applications*". And based on the conversation Mr D had with Wonga before he accepted the settlement, I'm satisfied he was made aware that the offer didn't incorporate all of his loans.

Overall I think that Mr D knew - or should've known - what he was accepting when he agreed to the offer; and he also knew his acceptance would be in full and final settlement of his complaint about all the loans. If he didn't agree with Wonga's reasons for not upholding his complaint about the other loans and/or thought he was owed more money, he could've raised that *before* accepting the offer.

I realise that Mr D will be disappointed. But as he's already accepted an offer in full and final settlement of his complaint about the loans – in the circumstances I've outlined above – I don't think it would be fair or reasonable for me to make a further award in relation to this issue.

I've also considered whether Wonga should pay Mr D any further compensation as a result of his anxiety and depression.

I understand that Mr D made his health situation clear to Wonga during their communications about his complaint in 2017. But I haven't seen anything to suggest that Wonga was aware of Mr D's situation at the time of lending.

I appreciate Mr D's point that Wonga accepted it was wrong to provide certain loans. But in its first final response Wonga clearly stated that it wasn't aware of Mr D's circumstances when it approved his loans. So the offer it made wasn't in recognition of Mr D's anxiety and depression. It was in recognition of the fact that it had enough information at the time to see that the loans included in its offer might not have been affordable for him.

I sympathise with the situation Mr D found himself in. But I don't think it would be fair for me to recommend that Wonga should compensate Mr D for circumstances that it was only made aware of after the fact. If Mr D had made Wonga aware of his situation, and it had continued to lend inappropriately, then I might think differently. But based on everything I've seen, I don't think Wonga needs to do anything more to resolve Mr D's complaint.