

Complaint

Mr M says that Everyday Lending Limited (trading as “Everyday Loans”) unfairly failed to help him when he said that he was having difficulty making his payments. He’s also unhappy that an application for further borrowing was declined.

Background

Background

One of our investigators looked into Mr M’s concerns. She didn’t think that Everyday Loans had done anything wrong or treated Mr M unfairly and so didn’t recommend the complaint be upheld. Mr M disagreed and so the complaint was passed to an ombudsman for a final 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.

Having carefully considered everything provided, I’m not upholding Mr M’s complaint. I’ll explain why in a little more detail.

In the first instance, I know that Mr M is unhappy that Everyday Loans refused to provide him with a further loan in January 2022. I can understand why Mr M is unhappy at being declined for a loan. However, lenders are required not to lend irresponsibly by ensuring that credit which is affordable is provided to prospective borrowers.

Each lender will have its own criteria for assessing applications. And Everyday Loans didn’t believe that Mr M could sustainably repay any further credit. I’ve not seen anything to suggest that Mr M’s loan application was declined for any other reason.

I’m sorry to hear about Mr M’s financial position. But it simply wouldn’t be fair and reasonable for me to say that Everyday Loans should have lent to Mr M in circumstances where it legitimately decided that it wasn’t prepared to lend further funds to him.

I know turn to Mr M’s request for a repayment plan with reduced payments. It’s clear that Mr M has been in contact with Everyday Loans as far back as March 2022 to say that he was having difficulty making the payments to his loan. And, in these circumstances, I would expect a lender to exercise forbearance and due consideration in line with its regulatory obligations.

Everyday Loans has supplied its contact history between it and Mr M in the period he’s been a customer. These records show that there were a number of attempts to ascertain whether Mr M was eligible for a repayment plan. But each time it carried out an income and expenditure assessment with Mr M, the conclusion reached was that Mr M had sufficient funds to make his repayments in full.

I can appreciate and understand why Mr M might wish to build up savings in this current economic climate. But I've not seen anything to suggest that Mr M is contractually obliged to make these savings payments. Furthermore, as Mr M is choosing to make these savings payments, I simply can't agree that it is unfair or unreasonable for Everyday Lending to treat these payments as being part of his disposable income, rather than his non-discretionary expenditure.

Overall, I'm satisfied that the available evidence shows that Everyday Loans took reasonable steps to assess Mr M's circumstances in order to arrange payment plans. So I'm satisfied that it attempted to exercise forbearance and due consideration in line with its regulatory obligations.

As Everyday Loans hasn't been able to resolve the arrears that have accrued with Mr M, I'm satisfied that it wasn't unreasonable for it to inform him that he was and remains at risk of defaulting on his loan. And I don't think that Everyday Loans has acted unfairly or unreasonably in relation to this matter.

Overall and having considered everything, I have not been persuaded to uphold Mr M's complaint. I appreciate that this will be very disappointing for Mr M. But I hope that he'll understand the reasons for my decision and at least feel that his concerns have been listened to.

Although I'm not upholding this complaint, it has been some time since Everyday Loans attempted to carry out an income and expenditure assessment with Mr M. So I'd like remind Everyday Loans of its ongoing obligation to exercise forbearance and due consideration should it intend to collect on the outstanding balance on Mr M's account and it be the case that his circumstances have changed and he now qualifies for a repayment plan on the grounds of financial difficulty.

My final decision

For the reasons I've explained, I'm not upholding Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 September 2023.

Jeshen Narayanan
Ombudsman