

## The complaint

Miss C complains that CarCashPoint Limited (“CarCashPoint”) lent to her irresponsibly.

## What happened

Miss C took out a fixed sum loan with CarCashPoint in May 2019. The loan was repayable by way of 36 monthly payments of £97.12 with the total amount repayable under the agreement being £3,496.32.

Miss C says the loan was granted irresponsibly by CarCashPoint as it was unaffordable.

CarCashPoint didn’t agree. It said it had reviewed Miss C’s income and expenditure when she made the application and had checked her credit file. And based on that the loan was affordable. But our adjudicator thought the complaint should be upheld.

In my provisional decision dated 20 June 2023, I explained why I didn’t think CarCashPoint had acted unfairly in providing Miss C with the loan. I set out an extract below:

*“Before granting the loan, I think CarCashPoint gathered a reasonable amount of evidence and information from Miss C about her ability to repay. I say this having noted the credit checks it carried out each time. I’ve also noted that CarCashPoint verified Miss C’s income from checking several bank statements she’d given covering the period from January to May 2019. The information from the bank statements supported the income and expenditure details that Miss C also provided, enabling CarCashPoint to verify her monthly income and regular living expenses. The bank statements showed that she was receiving regular income each month by way of state benefits. On the income and expenditure breakdown Miss C provided, she said she had around £1,800 per month income with committed outgoings of around £950, including existing loan repayments and regular outgoings. This suggested Miss C had at least £800 available each month by way of disposable income. Also, CarCashPoint’s checks didn’t reveal any significant adverse information about Miss C’s recent financial history. However, just because I think CarCashPoint carried out proportionate checks, it doesn’t automatically mean it made a fair lending decision. So, I’ve thought about what the evidence and information showed.*

*I’ve reviewed the information and evidence CarCashPoint gathered, as well as the information Miss C provided at the time she made her application for the loan. Having done so I’m satisfied that the checks that were completed showed the agreement was likely to be affordable to Miss C.*

*I’ve seen that when responding to our adjudicator’s initial finding that CarCashPoint had made a fair lending decision, Miss C sent in bank statements covering broadly the same period as those she used in her application. But this time Miss C highlighted benefits income and expenditure which she explained was for her and benefits income and expenditure relevant to her partner. This is not something Miss C did when she made her original application. Rather, Miss C told CarCashPoint that she and her partner both relied on the benefits received and didn’t specify that part of the benefits ought not to be treated as*

*available income. It was on that basis that CarCashPoint assessed if the loan was affordable alongside the income and assessment details she'd provided.*

*Given that CarCashPoint relied on the bank statement information and what Miss C set out in the income and expenditure breakdown she provided, I don't think it was unreasonable for it to conclude that Miss C had enough disposable income. I say this especially given that there appears to be at least £800 of disposable income available to the household and Miss C was being required to meet monthly payments of £97.12.*

*It follows that I don't currently think it was unfair of CarCashPoint to decide it was likely Miss C would be able to afford the monthly repayment amount that would be due under the loan.*

*I therefore currently don't intend to uphold this complaint. In the absence of any additional information or clarification by Miss C at the time of her application, I don't think CarCashPoint was wrong in making the decision to provide the loan to Miss C."*

Miss C told our adjudicator she wasn't happy with the provisional decision. Our adjudicator explained how she could provide further evidence. Unfortunately Miss C then became unwell which led to her being hospitalised and signed off work. I understand Miss C returned home at the beginning of August 2023. I have therefore agreed three extensions of time. The third extension expired 7 on September 2023 but Miss C has not sent in anything further.

During this time, whilst CarCashPoint did not have anything to add to my provisional decision, it agreed to hold off taking any further recovery action until the final decision has been issued.

### **What I've decided – and why**

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

CarCashPoint will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Given that neither Miss C nor CarCashPoint have responded to my provisional decision with any new evidence or information within the initial and extended time-scales we've agreed, I see no reason to depart from my finding that CarCashPoint didn't act unfairly in approving this fixed sum loan agreement for Miss C

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint. CarCashPoint Limited therefore doesn't have to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 6 October 2023.

Michael Goldberg

**Ombudsman**