

## **The complaint**

Mr D is unhappy with the loan settlement figure given to him by Everyday Lending Limited, trading as Everyday Loans.

## **What happened**

Mr D took out a £7,500 loan with Everyday Loans with an interest rate of 40% APR. Mr D made six monthly payments to the loan, totalling nearly £1,800, and then asked for a figure to settle the loan. Everyday Loans provided a settlement figure to Mr D. But the settlement figure was £7,868.34, which Mr D felt was too high and which must have been calculated incorrectly. So, he raised a complaint.

Everyday Loans responded to Mr D and confirmed that the settlement figure had been calculated correctly. Mr D wasn't satisfied with Everyday Loan's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Everyday Loans had acted unfairly in how they'd managed this situation and so didn't uphold the complaint. Mr D remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

## **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.

When Mr D took the loan with Everyday Loans he agreed to the terms of that loan. These included that Mr D would borrow £7,500 over a term of 60 months with an interest rate of 40% APR, which meant that if Mr D repaid the loan for the full 60-month term he would repay £17,941.20.

It was at the discretion of Mr D to agree to the terms of the loan offered to him by Everyday Loan or not. And it isn't for this service to comment on the terms of the loan that Mr D has agreed to.

Additionally, upon review, I'm satisfied that Everyday Loans has provided a settlement figure to Mr D that's in line with the terms of his loan agreement.

I can appreciate that this settlement figure may seem high to Mr D, given the monthly payments he's already made to the loan. But given the relatively high interest rate that this loan incurs, it must be acknowledged that the majority portion of the monthly payments that Mr D has made to date is considered as being payment of loan interest. And I'm satisfied that the explanation of the settlement figure that Everyday Loans provided to Mr D, which included that after the six payments made by Mr D that over £7,200 of the loan capital balance remained, is correct.

Mr D may not be happy that he must pay such a large amount of interest alongside the capital balance of the loan. But as explained, Mr D consented to the loan interest rate when

he accepted the loan agreement. And while I understand that Mr D may now wish for a more beneficial loan agreement, his wishes in this respect don't invalidate the loan agreement which he signed and accepted.

Accordingly, I don't consider Everyday Loans' adherence to the present loan agreement – including the provision of a loan settlement figure to Mr D which has been calculated in line with those terms – to be unfair.

I realise this won't be the outcome Mr D was wanting, but it follows from what I've explained above that I won't be upholding this complaint or instructing Everyday Loans to take any further action here. I hope Mr D will understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 October 2023.

Paul Cooper  
**Ombudsman**