

The complaint

Mr C complains that Everyday Lending Limited charged him interest on his loan account without telling him.

What happened

Mr C says he took out a loan with Everyday Lending and then agreed a payment plan with it. He says he was unaware he was charged interest on the agreement and says that has caused more debt. Mr C would like the interest refunded as well as compensation.

Everyday Lending says Mr C took out the loan in June 2018 and in December 2018 agreed a repayment plan with him. It says it reduced Mr C's payments from over £200 to £20 a month and doesn't accept telling him there would not be any interest charged.

Mr C brought his complaint to us, and our investigator upheld the complaint but made clear she didn't have the call recording from 2018. The investigator didn't think Everyday Lending provided enough help to Mr C and so should refund any interest and charges.

Everyday Lending doesn't accept that view and following my request for information has provided the call recording. It also says no interest was charged from April 2019 in any event.

I asked Mr C for further information, and he says the interest and loan term were not discussed on the call. He says he wanted the loan repaid at the time when I asked him about the impact a default would have.

My provisional decision

I issued a provisional view on this complaint and said that I don't uphold this complaint.

I explained that lenders should treat customers in financial difficulties positively and sympathetically. I could see that Mr C appeared to have been in financial difficulties in 2018 although he hadn't given us the exact details of what took place. I listened carefully to the telephone call between the parties and was satisfied Mr C said he was still working and agreed to repay the loan at £20 a month until his circumstances changed. I was also satisfied that Everyday Lending told Mr C that his loan would, as a result of the reduced payment, be spread over a longer time period and that the interest rate would reduce.

So, I was satisfied that Everyday Lending did try and help Mr C and acted positively and sympathetically by accepting a reduced payment with a lower interest rate. I appreciated the key issue about this complaint was that Mr C said he wasn't told that he would still have to pay interest. But having listened to the call, I was satisfied he was told interest would continue to be charged.

I appreciated the investigator didn't have the benefit of the call recording and said Everyday Lending didn't do enough to help Mr C. I said I had thought about what else could have been done as it was clear Mr C was unable to repay the loan at the agreed rate and that no

interest had been charged since April 2019 in any event. I thought the only realistic alternative if Mr C wanted all interest stopped on a longer-term basis would have been to default the account. And I couldn't see how that would have benefited Mr C's position here as compared to what did happen.

Overall, I was satisfied Mr C's loan term and interest were discussed when he called it in December 2018. I didn't think Mr C was charged interest from April 2019 in any event and was satisfied he owes Everyday Lending the money he borrowed. I thought it tried to help Mr C and it was difficult to see what else it could have done to assist Mr C. I said no doubt Mr C could explain what he thought Everyday Lending could have done to help him and what the up-to-date position is. I also hoped Everyday Lending would provide copies of other call recordings or records of other discussions with Mr C about the loan as well as provide the updated position.

Neither side as replied to my provisional 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.

Having done so I have come to the same overall view that I reached in my provisional decision and for the exact same reasons.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 November 2023.

David Singh
Ombudsman