

The complaint

Miss H complains that she's paying more than she should for a loan taken out with Everyday Lending Limited trading as Everyday Loans. She's also unhappy about the rate of interest applicable to the loan.

What happened

In July 2022 Miss H took out a loan with Everyday for £2500 over a term of 36 months with a monthly payment of £243.45. The total amount payable under the agreement was £8764.20.

Miss H complained to Everyday. She asked for a statement of her loan and an explanation of why she was paying more than her contractual payment. She also asked why her loan balance was only decreasing by £50 each time she made a payment of £300.

In its response, Everyday said that Miss H's contractual payment was £243.45 and that the interest rate applicable to the loan was dependent on a customer's credit rating at the time of taking the loan. It provided a copy of Miss H's loan agreement to her.

Miss H remained unhappy and brought her complaint to this service. She said she'd been paying £300 every month not £243.45, and that she wasn't able to afford to continue to make payments. Miss H said the interest on the loan was excessive.

Our investigator didn't uphold the complaint. They said that Everyday had provided information to show that Miss H had asked to make increased payments of £300.

Miss H didn't agree. She said she hadn't asked to make payments of £300, and that she'd only asked whether she could pay more as and when needed.

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.

I've reviewed the loan agreement. This states that the loan amount is £2500 with monthly repayments of £243.45 for 36 months. The rate of interest is 188.8% and the total amount repayable under the agreement is £8764.20.

Miss H has complained that she's making monthly repayments of £300. There's no dispute between the parties that this is what Miss H has been paying since the inception of the loan.

Everyday has provided information which shows that Miss H agreed to make increased payments of £300. The notes on Everyday's system record that on 29 July 2022 (the day Miss H applied for the loan) Miss H attended in branch and said she wanted to pay £300 each month as an overpayment.

Miss H has also complained that she hasn't received a statement of account for her loan. Everyday has provided information which shows that annual statements have been posted to Miss H.

Miss H has said she can no longer afford to pay £300 per month. There's no obligation on Miss H to pay £300 per month. Miss H's contractual monthly payment is £243.45 and if she no longer wishes to make overpayments, she can contact her bank and amend the payment.

Based on what I've seen, I don't think Everyday has made an error or treated Miss H unfairly. I'm satisfied that Miss H was made aware at the time of applying for the loan of what the contractual monthly payments were, and that she made the choice to pay more than the contractual monthly payment. Miss H could've amended her monthly payment at any time by contacting her bank.

I appreciate that Miss H has said that the interest rate applicable to the loan is too high. The interest rate is clearly stated on the loan agreement, and I can see that Miss H has signed this and agreed to be bound by the terms and conditions. Based on what I've seen, I haven't seen any evidence to suggest that the loan was mis-sold, or that Miss H wasn't made aware of the key features including the amount of the loan, the interest rate, the monthly repayments and the total amount repayable.

For the reasons I've explained, I'm unable to uphold the complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 30 January 2024.

Emma Davy
Ombudsman