

The complaint

Mr M says Western Circle Ltd trading as Cashfloat didn't act reasonably when he informed it that he was in financial difficulties. Mr M also feels that the interest on the repayment plan that was agreed was too high.

Mr M also has a complaint about irresponsible lending. This has been considered separately.

What happened

This complaint is about one payday loan Cashfloat provided to Mr M on 15 July 2016 for £350. This was due to be repaid in two instalments of £258. The first repayment was due on 26 August 2016 and the second was due a month later.

Mr M was unable to pay the instalments due to his employment situation. Cashfloat and Mr M then agreed that he would repay this loan over six months rather than two. Cashfloat reduced his repayments accordingly. Mr M paid a total of £554.99 into the loan.

Our adjudicator didn't uphold the complaint. He thought that Cashfloat had acted reasonably when Mr M had informed it about his financial hardship. And the interest charged on the new arrangement wasn't excessive.

Mr M didn't agree with the adjudicator's opinion. He didn't add anything further to his original complaint points.

As no agreement has been reached the complaint has been passed to me.

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.

Mr M informed Cashfloat shortly after the loan started that he would have problems making the repayments. Cashfloat looked into what Mr M had said, and the information he provided, and then agreed to restructure the loan to reduce the monthly repayments. Due to the longer term Mr M paid a slightly higher amount of interest than he would've under the original loan, but his repayments were lower.

As far as I can see Mr M agreed with all of this at the time. And I think it's reasonable to say that Cashfloat acted quickly to resolve this situation and reached what was an acceptable compromise. I don't think it charged too much interest.

So given all of this I'm not upholding Mr M's complaint.

My final decision

For the reasons set out above, I don't uphold 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 16 December 2020.

Andy Burlinson
Ombudsman