

## The complaint

Mr H complains Everyday Lending Limited trading as GeorgeBanco.com irresponsibly lent to him.

Mr H is represented by a claims management company. For ease of reference I'll refer to all submissions as if they were made directly by him.

## What happened

Everyday Lending approved Mr H for a guarantor loan in January 2020. The loan was for £6,000 with a 60 month term, and repayments of around £240 per month.

Mr H complained to Everyday Lending that it lent irresponsibly to him. Everyday Lending agreed with his complaint. In its response to Mr H's complaint Everyday Lending set out the redress it was proposing. It highlighted that the guarantor to Mr H's loan had paid a substantial amount of the loan; and as such Everyday Lending was going to refund these repayments to the guarantor. Everyday Lending explained that due to this refund Mr H had an outstanding balance of approximately £2,500.

Mr H was unhappy with this outcome and brought his complaint to our service. Our service asked for further information about the status of the loan. Everyday Lending confirmed that the guarantor had settled the loan with a single payment of around £7,000. It confirmed Mr H had paid less than the amount he had borrowed (approximately £3,500).

I wrote to both parties setting out my provisional decision. I set out my provisional findings as below:

*"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'm not currently minded making a finding on the relative merits of this case; as doing so will not materially alter the outcome of this complaint. That is to say all parties agree the loan should not have been approved to Mr H. Everyday Lending has made an offer to settle this complaint in response to our service's involvement.*

*The remaining point in dispute here is the redress which has arisen as a result of this dispute. Everyday Lending says it should be able to pursue Mr H for the amount which it believes is outstanding. Mr H is unhappy with this redress, and believes they are due some compensation.*

*I'll start by considering the amount which Mr H has paid. Our services standard approach to redress is to put consumers back in the position they would've have been had any potential error from a business not occurred. That is not possible in cases where capital has been advanced to consumer. So, in those instances our stance is that the consumer should only pay back the amount of credit they've borrowed. That is because the consumer (unless proven otherwise) has had the*

*benefit of the capital advanced.*

*In this instance Mr H has not repaid the amount he has borrowed. From the information which I've seen so far it appears as if Mr H has borrowed £6,000 and had repaid around £3,500 before the loan was settled.*

*In order for Mr H to be due redress I'd need to be satisfied that he has paid over the amount of capital he has borrowed. Everyday Lending says this is not the case. And based on Mr H's own information that doesn't appear to be the case either.*

*So in the absence of more persuasive information from Mr H; I'm not satisfied he has suffered a financial loss in this instance. That is to say; I'm not persuaded based on the information I've been provided that Mr H has paid more in repayments than he was lent. So I'm satisfied there is no loss and it follows there would be no redress due either.*

*Everyday Lending says it is going to pursue Mr H for the amount he has 'under paid'. I have considered Everyday Lending's argument here but I'm not persuaded that it can reasonably do so. From my understanding; and based on the information which has been provided to date; this loan has already been settled. That means there is no longer an agreement in place; and this has been discharged by all relevant parties.*

*As no agreement is in place; I don't understand how Everyday Lending believes it can pursue Mr H for a debt that is by all accounts settled. As I have explained above based on what I've seen so far; the loan was settled early by a third party. So there doesn't appear to be an active agreement in place and I don't see how Everyday Lending even has a mechanism for collecting payments for under an agreement that was extinguished some time ago.*

*If this is incorrect and Everyday Lending can demonstrate the account is still open; I will consider its arguments further. But in the absence of an open account I'm satisfied that Mr H's responsibilities under the relevant agreement have already been discharged.*

*So based on what I've seen so far; I'm currently minded to say that Mr H is due no redress as he hasn't suffered a financial loss. And I'm not persuaded Everyday Lending can continue to pursue Mr H for a debt that is settled.*

*I would ask both parties to provide further information which demonstrates either they suffered a financial loss; or that there is a loan balance still outstanding. Pending this information, and subject to any further submissions which may be made; my final decision is likely to be along the same lines."*

I asked both parties to respond with any further information or comment they wished to provide. Neither party responded within the relevant time frame offering new information.

### **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.

As neither party has provided new information; I'm satisfied the findings set out in my

provisional decision should remain. That is to say, whilst Everyday Lending accepts it should not have provided the loan, it does not need to do anything further in terms of putting things right. This is because Mr H has not demonstrated that he suffered a financial loss in this instance.

I'm also satisfied that as the loan has been settled, that Everyday Lending does not have a mechanism in which to pursue Mr H for any further payments.

### **Putting things right**

Although Everyday Lending accepts it should not have provided the loan, it does not need to do anything further to put things right.

### **My final decision**

My final decision is that I uphold this complaint. But I do not require Everyday Lending Limited trading as GeorgeBanco.com to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 31 January 2023.

Tom Whittington  
**Ombudsman**