

The complaint

Mr M complains that Everyday Lending Limited (ELL) didn't support him when he was in financial difficulty.

What happened

In May 2018, Mr M borrowed £4,000 from ELL. There were to be 42 monthly payments of £343.39. The total amount payable was £12,362.04. Late in 2018, Mr M became ill and his employment suffered. He went self employed in 2020. In April 2020, ELL agreed to a one-month payment deferral. In June 2020, a further deferral was agreed for one month. ELL agreed to three 30 day breathing space arrangements in November 2020, December 2020, and January 2021, but arrears built up. The last payment made by Mr M was in August 2020 and in August 2021, a Notice of Sums in Arrears (NOSIA) was sent to Mr M. The arrears were then £2,060.34 – six months' payments. In November 2022, the loan balance was £3,088.54.

There were several calls between ELL and Mr M – including in October 2018; February 2020 (two calls); and in February 2021.

Mr M complained. He said ELL didn't support him when he was in financial difficulty. He said he told ELL about his illness and personal employment situation, yet they bullied him for repayments and offered him more money. He referred to a call on 11 February 2021 – when he said ELL's conduct was poor as they pushed him to make payments at a time when he had no income and his partner had just given birth in difficult circumstances.

He said ELL had offered to write off the balance of the loan. He said ELL's conduct made his illness worse. He said he wants interest on the loan refunded and the loan written off. During our investigation, Mr M said that ELL had breached his data by responding to a third party about a previous complaint – without his authority.

ELL issued two final responses in connection with the complaints Mr M has brought to us. The first, in March 2021 - apologised for how the call on 11 February 2021 was handled. They offered to pay compensation of £200 for that. Mr M didn't accept ELL's offer. The second, in December 2021, said they'd agreed to a one-month payment deferment in April 2020. In September 2020, Mr M advised ELL he was self – employed and due to the pandemic hadn't worked since March 2020. They had suggested taking advice from a free debt advice charity. They asked him to complete an income and expenditure form, but he refused to do that. They then agreed to three consecutive 30-day 'breathing spaces' (with no repayments) between November 2020 and January 2021. They said they'd supported Mr M.

Mr M brought his complaint to us. Our investigator said ELL had acted reasonably. They'd provided payment holidays and three one-month breathing space arrangements on the loan. He could see that ELL had contacted Mr M - but the contacts didn't seem excessive. He did agree that the call in February 2021 wasn't handled very well and agreed with ELL's offer of compensation of £200.

Mr M didn't agree and asked that an ombudsman look at his complaint. It has therefore

come to me to make a final decision.

Mr M said the calls between himself and ELL should be listened to – and offered to send to us his recordings. This he did and provided one call.

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 also raised a complaint about the original lending by ELL – in May 2018. He said it was irresponsible. ELL responded to that in October 2018. Under the rules by which we operate, a customer's complaint must be brought to us within six months of the final response from the firm. As Mr M brought his complaint to us in April 2021, this was more than six months after ELL's final response – so we cannot look at that aspect of his complaint.

During our investigation, Mr M also said ELL breached his data by responding to a third-party firm of solicitors. As Mr M hasn't complained about that to ELL, nor was it part of his complaint he brought to us, I cannot look at that part of Mr M's complaint either. If he wants to pursue that, he must put that complaint formally to ELL in the first instance.

Turning to the complaint points I have looked at – these are:

- That ELL didn't support him when he was in financial difficulty.
- That ELL bullied him for payments unreasonably.
- That ELL offered him more money when he couldn't afford it – rather than supporting him.
- He said ELL offered to write off the balance of the loan.

Support when in financial difficulty:

Mr M suffered illnesses in late 2018 and thereafter. His income was also affected by the pandemic from March 2020. He says he told ELL about this and they didn't provide him with help and support as they should have.

The relevant rules here are that businesses have an obligation to treat customers in financial difficulty sympathetically and the Financial Conduct Authority (FCA) says that businesses like ELL should treat customers in difficulties with forbearance and due consideration. For example, a business might suspend or waive interest, accept lower payments, or defer them, and allow customers more time to repay their debt. So – I have looked at what ELL did in line with this guidance.

I can see that ELL put in place a payment holiday for one month in April 2020 and in June 2020. And later, provided payment breaks for three months - between November 2020 and January 2021. So – I think it's reasonable to say that ELL did try to support Mr M when he was in difficulty. I can see that ELL asked him to provide an income and expenditure form – to see if they could help him further. But he wouldn't do that. If he had, then possibly a longer-term arrangement might have been considered.

Mr M says he advised ELL of his employment situation. I looked at the notes on his account. These show he told ELL he was self-employed in May 2019 – and at that time, ELL told him

they couldn't lend to him because of that, or until he had traded for two years – which seems to me to be a reasonable thing to do.

Did ELL press Mr M for payments?

I looked at the notes on Mr M's account and listened to the calls dated November 2018; February 2020 (two calls); and February 2021.

The notes show that ELL asked Mr M to call them in March 2019 to discuss his account. That doesn't appear to be in connection with any pressure to make payments – as they were up to date at that time. After Mr M fell into arrears, it was reasonable that ELL asked Mr M to bring his payments up to date. I can see that there were conversations in September 2020 and October 2020 about Mr M's situation – ELL asked him to complete an income and expenditure form. In December 2020, the notes say that Mr M was signposted to debt advice charities – which was the right thing to do.

But - there isn't any suggestion in the notes that Mr M was asked to make payments unreasonably. I think it is fair to conclude that at that stage, ELL were trying to find a way to support Mr M – that is what the evidence suggests. Much later, the Notice of Sums in Arrears dated August 2021 showed he was then six months in arrears – and therefore by that time, that course of action seemed a reasonable thing to do..

The calls in November 2018 and February 2020 did not mention payments – as the loan was then up to date. I listened to the call which took place in February 2021. This took place when Mr M was understandably stressed because of his partner having given birth under difficult circumstances. On the call, he explained that – and unfortunately, ELL's call handler asked him about the prospect of his returning to work and when his financial situation might improve. The call handler also suggested taking advice from a debt advice charity. While I can see why ELL needed that information (as the arrears were then six months), it wasn't appropriate in Mr M's circumstances to push him at that time. I agree that ELL should pay compensation of £200 for that – as they've offered.

Offers of more money:

I reviewed the notes on Mr M's account and the calls I've referred to. On the call in November 2018, Mr M asked to borrow another £8,000 to consolidate some other debts, but that didn't go ahead. There was a brief call to Mr M on 20 February 2020 – which I listened to. On the call, ELL offered to lend him more money if he needed it – but Mr M said he didn't need any more money at that time. No amounts were offered, and the call only took two minutes – so I don't think that was an unreasonable thing for ELL to do. Other than that, I couldn't see any other references to offers of further loans from ELL.

Offer to write off the balance of the loan:

Mr M has said that ELL offered to write off the loan balance. I looked at that. There isn't any reference to such an offer in the customer notes, nor in the calls I listened to. In the further call provided to us by Mr M – this was between he and ELL's complaints department – ELL's complaint handler also said he couldn't find any reference to such an offer. Therefore, based on the evidence I can see, I cannot say that ELL did offer to write off the loan.

In summary, having reviewed in depth what happened here, I think ELL supported Mr M in his time of financial difficulty in line with their obligations to do so under the FCA's guidance; there isn't any evidence to suggest that ELL unreasonably pressed Mr M for payments; nor did they unreasonably offer Mr M more money at a time when that would've been irresponsible. And I couldn't find any evidence to suggest that ELL offered to write off the

loan balance.

I agree that the call in February 2021 could've been handled more sympathetically in the context of Mr M's personal circumstances at that time, and therefore ELL's offer of £200 is a fair way to settle Mr M's complaint. If he wishes to accept this offer, he should get in touch with ELL to arrange payment. I know Mr M will be disappointed by this decision, he has referred to calls between himself and ELL in support of his case. But I've listened to the calls that ELL have – and the call provided by Mr M. And I'm persuaded that my decision is the right one on the balance of evidence here.

My final decision

I don't think Everyday Lending Limited needs to do anything to settle the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 April 2023.

Martin Lord
Ombudsman