

## **The complaint**

Miss W says Madison CF UK Limited, trading as 118 118 Money, irresponsibly lent to her and so must write off the outstanding balance on her card.

## **What happened**

Miss W says 118 118 Money let her take out a credit card when she was already struggling financially. This has caused her stress and upset, impacting her mental and physical health. She wants 118 118 Money to close the account and write off the balance.

After Miss W complained to 118 118 Money it accepted it should have done better checks when Miss W applied and so agreed to refund all interest. It also said it would remove the account from Miss W's credit file.

As Miss W wants the full balance writing off she came to this service. Our adjudicator did not uphold Miss W's complaint. She said as Miss W had the benefit of the credit she borrowed we would expect her to repay that.

## **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 am not upholding Miss W's complaint. The parties are not in dispute that 118 118 Money ought to have done more to check the lending was affordable for Miss W. What remains in dispute however is what the lender needs to do to put things right.

Our approach to complaints about unaffordable/irresponsible lending is set out on our website, including how we instruct lenders to put things right if we find lending to have been irresponsible. I have followed that approach here.

As Miss W has had the benefit of the money she borrowed on her card we would expect her to repay that. But 118 118 Money must refund any interest and charges. It has already offered to do this, explaining that this card had no charges so there is only an interest refund. This is for £306.16 and I understand this had already been credited to Miss W's account.

It is not clear from the lender's final response letter if it included interest in this refund so I will set out what was required for clarity. In line with our approach, as 118 118 Money knows, it must pay interest of 8% simple a year on this refund from the date the interest was paid to the date of settlement. If it didn't pay this interest it must now do so and let Miss W know how that reduces her balance. HM Revenue & Customs requires 118 118 Money to take off tax from this interest. 118 118 Money must give Miss W a certificate showing how much tax it's taken off if she asks for one. 118 118 Money must also remove any adverse information about the card from Miss W's credit file, but it has already organised this.

As there remains an outstanding balance that Miss W says she cannot repay, she should

contact 118 118 Money to try to agree an affordable repayment plan. I would remind it to treat Miss W sympathetically and positively. Miss W will most likely need to complete an income and expenditure form to allow 118 118 Money to understand her current circumstances. I am sorry this has been difficult for Miss W. I note 118 118 Money has already provided details of third-party organisations who can support Miss W if she is having financial difficulties.

It follows I find 118 118 Money responded fairly and reasonable to Miss W's complaint.

### **My final decision**

I am not upholding Miss W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 7 December 2022.

Rebecca Connelley  
**Ombudsman**