

The complaint

Mr H complains that Loans 2 Go Limited (L2Go) failed to respond to his request to repay loan funds within the cooling off period.

What happened

On 21 February 2023 Mr H successfully applied for a loan with L2Go for £1,000 with repayments of £205.56 due every four weeks. When interest was added to the loan, the total amount repayment was £3,700.08.

Mr H says that on 22 February 2023 he wrote to L2Go and said he wanted to cancel the loan and return the funds. Mr H also explained that he needed L2Go to make some reasonable adjustments in terms of the way it communicates with him and asked it to write to him in a larger font. L2Go says it has no record of receiving Mr H's letter.

No payments were made to the loan. L2Go's contact notes show that from February 2023 it tried to contact Mr H and discuss the payments due for his loan. There was no further contact from Mr H during the cooling off period and the loan funds were not returned to L2Go. Over the following months, the loan fell into arrears and was ultimately closed then sold to another business. Mr H says he's now being pursued for the outstanding balance by the new owner of the debt.

Mr H complained to L2Go and it issued a final response on 8 September 2023. In this final response, L2Go explained how the loan had been assessed and why it didn't feel the decision to lend was irresponsible. L2Go also said it had no record of any request to withdraw from the loan agreement from Mr H. A further final response was issued on 17 November 2023 and L2Go repeated its view that no request to withdraw from the loan had been received and that the loan was correctly closed and sold when no payments were made.

An investigator at this service looked at Mr H's complaint. A copy of Mr H's letter to L2Go dated 22 February 2023 was provided. But the investigator looked at the contact notes available and didn't find any trace of Mr H's letter being received by L2Go. Nor was there any evidence that Mr H had followed up his letter with L2Go when no response was received. The investigator didn't find that L2Go had acted unfairly or made a mistake as they weren't persuaded it had received Mr H's letter dated 22 February 2023.

The investigator thought L2Go should've done more to support Mr H as he'd advised he was vulnerable and required some reasonable adjustments concerning the way it communicated with him. The investigator wasn't persuaded it was reasonable for L2Go to have requested medical evidence from Mr H in order to verify the reasonable adjustments he requested were necessary and asked it to pay him £250 for the distress and inconvenience caused.

L2Go asked to appeal and said it hadn't been made aware of a medical condition that required reasonable adjustments. L2Go asked our investigator to forward medical evidence to support Mr H's request and asked to appeal. As L2Go asked to appeal, Mr H's complaint has been passed to me to make a decision.

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 Mr H's complaint falls broadly into two parts, I'll start by talking about what happened after the loan was approved. I appreciate Mr H has explained he quickly changed his mind about whether to continue with the loan and wanted to return the funds within the cooling off period. Mr H has forwarded a copy of his letter to L2Go dated 22 February 2023 explaining the situation and what he wanted to do. But L2Go has provided copies of its systems notes that record all correspondence received. And there is simply no record of Mr H's letter being received.

I also think it's fair to add that L2Go's contact notes show that from 28 February 2023 it was emailing Mr H about his loan account and the payment that was due. I think that L2Go could reasonably have expected Mr H to get in contact after a response to his letter wasn't received, especially given it was emailing him during this period concerning the status of his loan payments.

I'm sorry to disappoint Mr H but as L2Go was unaware of his wish to cancel the loan agreement and return the funds in the cooling off period, I'm unable to say it has acted unfairly by continuing to administer the loan and request payment. I note that when Mr H emailed L2Go in August 2023 it was quick to respond and provide the information and documents he requested. I haven't seen anything that persuades me L2Go was unreasonably difficult to discuss the account with.

As L2Go wasn't aware Mr H wanted to close the loan during the cooling off period, the funds weren't returned and no further contact was made with it, I haven't been persuaded that there are grounds to now tell it to rewind the arrangement or reinstate the loan.

Our investigator upheld Mr H's complaint concerning the adjustment's he asked L2Go to make. I can see that Mr H's letter dated 22 February 2023 provides details of why he requires adjustments to be made in the way L2Go communicates with him. But we know L2Go didn't receive that letter, so it was unable to act at that time. I can see that when Mr H contacted L2Go on 2 October 2023 to raise his complaint, he told L2Go that he needed it to adjust that way it contacts him. L2Go responded by email on 5 October 2023 and confirmed it had recorded what Mr H had told it on its systems, but there wasn't any offer to adjust the way it contacted him.

L2Go later requested medical evidence to support Mr H's request for reasonable adjustments. The request from L2Go was repeated following our investigator's review of Mr H's complaint. Our investigator wasn't persuaded L2Go had reasonable grounds to ask Mr H to provide medical evidence to verify why it needs to amend the way it contacts him and asked it to pay £250 for the distress and inconvenience caused. I agree with the investigator's view that the nature of the adjustments Mr H requires should be straight forward for L2Go to put in place. I can't see any reason why making reasonably straight forward adjustments to the correspondence it sends should require Mr H to provide medical evidence that is very private. Given the nature of the adjustments Mr H requires, I think it would've been fairer to L2Go to have taken him at his word and make changes as requested.

Going forward, L2Go will need to consider the way any future correspondence is issued to Mr H and make reasonable adjustments as required. L2Go is welcome to contact our

investigator for details of the sorts of adjustments the Financial Ombudsman Service has made to the way it contacts Mr H.

I can see that the method and nature of the way L2Go has contacted Mr H along with its request for medical evidence has caused him an unreasonable level of distress and inconvenience. I'm satisfied that could've been avoided if L2Go had taken a fairer approach after Mr H advised why he needs it to make reasonable adjustments. So I'm going to award Mr H £250 in recognition of the distress and inconvenience caused.

My final decision

My decision is that I uphold Mr H's complaint and direct Loans 2 Go Limited to settle by paying him £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 July 2024.

Marco Manente
Ombudsman