

## **The complaint**

Mr and Mrs H have complained about a secured loan they hold with Swift Advances.

The loan is administered by Swift 1st Limited trading as Swift Advances and that is the entity responsible for dealing with this complaint. Any reference to Swift in this decision should be taken in that context where appropriate.

Mr and Mrs H have said they're being asked for a balance at the end of the term, but they think they've overpaid (rather than underpaid) so instead are due money back.

## **What happened**

In September 2007 Mr and Mrs H took out a secured loan with a lender that I'll refer to as W. They borrowed £19,000 (plus £2,135 fees) over a 15-year term. The interest rate was 19.1% (variable), which gave a contractual monthly payment of £334.90 (variable).

The credit agreement showed that if all payments were made in full and on time, and the interest rate remained the same, that Mr and Mrs H would pay £39,147 in interest (on top of the £21,135 loan amount) over the term of the loan. That meant, if all payments were made in full and on time, the total amount repayable was due to be £60,282.

In 2018 the loan was transferred from W to a lender I'll refer to as C and then in 2023 it was transferred to Swift Advances. Swift Advances appointed Swift 1st to administer the loan on its behalf.

Mr and Mrs H raised a complaint in August 2022 about the outstanding balance as they felt the loan should have been repaid by then, but there was still a balance of around £4,000 outstanding.

The firm that was administering the loan on behalf of lender C responded to that complaint on 16 September 2022. It said that because the loan had been in arrears it had slowed down the normally expected capital reduction and it had been unable to identify any issues with how the balance had changed over time.

The complaint was referred to us in October 2022 and one of our Investigators issued their opinion on the complaint in January 2023. He said he wasn't persuaded Mr and Mrs H had overpaid the loan and so he didn't uphold the complaint. He said a number of payments had been missed, and many others were made late, both of which meant additional interest had been charged over the life of the loan. Mr and Mrs H didn't ask that the complaint be referred to an ombudsman and so the case was closed.

Mr and Mrs H raised a further complaint in January 2024 about the balance on their loan. As part of its response of 12 January 2024 Swift said that it wouldn't be reconsidering the time period covered in the 2022 complaint as those concerns had already been addressed.

Our Investigator said we won't be looking at the 2022 complaint again, so we'd only be dealing with a complaint covering the period since 16 September 2022. She then went onto consider the merits of that complaint and didn't uphold it.

Mr and Mrs H responded to say they wanted the complaint to be referred to an ombudsman.

## **What I've decided – and why**

### The 2022 complaint

We don't decide every complaint that's referred to us. There are some complaints that we can't look at, because the rules we operate under don't allow us to. And there are others that we are able to look at, but we choose not to due to their circumstances. The rules that set this out are referred to as the Dispute Resolution (DISP) rules and are laid down within the Financial Conduct Authority's handbook.

DISP 3.3.4A says:

'The ombudsman may dismiss a complaint referred to the Financial Ombudsman Service on or after 9 July 2015 without considering its merits if the Ombudsman considers that:

- (5) dealing with such a type of complaint would seriously impair the effective operation of the Financial Ombudsman Service.'

DISP 3.3.4B says:

'Examples of a type of complaint that would otherwise seriously impair the effective operation of the Financial Ombudsman Service may include:

- (3) where the subject matter of the complaint has previously been considered or excluded under the Financial Ombudsman Service (unless material new evidence which the Ombudsman considers likely to affect the outcome has subsequently become available to the complainant)'

I've considered everything that's been said and provided and having done so I'm satisfied no material new evidence has been put forward.

The 2022 complaint was referred to us at the time, and one of our Investigators issued their opinion on that in January 2023. At some point there has to be a conclusion; if we were to routinely revisit cases complaints could run on and on. In my view, this would not be in keeping with our statutory objective to resolve complaints with a minimum of formality. It also isn't an effective use of our resource to enter into further correspondence about issues that have previously been decided and would undermine confidence in our process thus affecting the effective operation of our service.

Overall and having carefully considered everything, I can confirm that I won't be considering any parts of the complaint that formed part of the referral to our service in 2022. For completeness I can confirm that means I won't be considering a complaint about why the balance was around £4,000 in August 2022 (rather than already being paid off with a sum owing to Mr and Mrs H).

### The 2024 complaint

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

As I've said I won't be reconsidering the 2022 complaint. That means, the starting point for me to consider the 2024 complaint is that a balance of around £4,000 was owing in August 2022 as I'm not reconsidering a complaint that it was wrong.

That means I can't consider Mr and Mrs H's comments about what they were told previously about overpayments as that formed part of the 2022 complaint. Whilst Mr and Mrs H have said Swift also told them that making overpayments would pay the loan faster, by the time the loan was transferred to Swift the original loan term had already ended with a balance outstanding.

I also can't consider Mr and Mrs H's comments that they've paid more than Swift has said, and that not all the payments they made are showing on Swift's statements. That's because that isn't the complaint that Swift answered in September 2022.

If Mr and Mrs H believe any payments they've made haven't been credited to the loan account then they'll need to provide evidence to Swift that those payments were made and weren't returned as unpaid. It isn't enough to just say that is the case, Mr and Mrs H will need to evidence it through their bank statements. If that is done and there is still a dispute, then that is a new complaint Mr and Mrs H can make to Swift at the time.

I've reviewed the transaction history from 17 September 2022 until 12 January 2024, and that shows Mr and Mrs H stopped making payments in September 2022, with no further payments made after that time (in the period I'm able to consider). As there was a balance outstanding interest continued to accrue and so that balance would have increased. If the loan isn't repaid (including all interest charged) Swift can take legal action so it is important that Mr and Mrs H make contact with Swift.

I would urge Mr and Mrs H to contact Swift to discuss their options, either directly or with the help of someone trained to give them free debt advice - such as StepChange or Citizens Advice. The parties will need to work together and that means Mr and Mrs H will need to be open about their situation, and Swift will need to listen to what they have to say and, fairly and sympathetically, see if there's a way to work with them to agree a way forward. That's not to say Swift needs to agree to anything Mr and Mrs H ask for and I would again remind Mr and Mrs H that this loan account is already overdue and as it is secured on the property there are steps Swift could take to recover the money, so I would urge them to work with Swift as a priority on this.

If Mr and Mrs H were unhappy with the outcome of those discussions with Swift then that could be a new complaint they could make at the time. But we can't get involved unless Swift has had a chance to discuss the options with Mr and Mrs H, and then had the opportunity to deal with a complaint from Mr and Mrs H about those discussions.

### **My final decision**

For the reasons given, I dismiss the part of the complaint about how the balance reached the amount it did in September 2022 as we previously considered a complaint about that in January 2023.

I don't uphold the complaint about changes in the balance between 17 September 2022 and 12 January 2024.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 30 October 2024.

Julia Meadows  
**Ombudsman**