

The complaint

Miss M complains about issues with her loan account, including that Loans 2 Go Limited hasn't sent account statements to her and that the amount outstanding doesn't reflect her loan repayments.

What happened

Miss M entered into a fixed sum loan agreement with Loans 2 Go for a loan of £999 in December 2021. She agreed to make 18 monthly repayments of £205.35 to Loans 2 Go but it says that, after two initial payments, the account fell into arrears and it was defaulted in June 2022.

I understand that Miss M, using a professional representative, made a complaint to Loans 2 Go about irresponsible lending to which Loans 2 Go responded in March 2023 – it says that it didn't uphold her complaint but, as a gesture of goodwill, offered to write-off 50% of the interest on the loan but it didn't receive an acceptance of the offer within six months and the offer was no longer valid. Miss M entered into a debt management plan but Loans 2 Go told her in January 2023 that it was receiving payments but hadn't agreed a formal payment plan and it asked her to provide it with specified information. Loans 2 Go says that Miss M's debt was sold to a third party in March 2024 and, in May 2024, her outstanding debt was £3,106.35.

Miss M complained to Loans 2 Go in February 2024. It said that her complaint was primarily concerned with the level of service that she'd received from it. It said that she was disappointed because she felt that it had refused to provide her with a statement for her account and that her credit report wasn't an accurate reflection of the status of her account. It provided her with an account statement and said that she was provided with an annual statement in December 2023 and that an account statement was sent to her in February 2024. It also said that, from what it had seen, her credit report was an accurate reflection of the history of the account.

Miss M wasn't satisfied with its response so complained to this service. She said that Loans 2 Go doesn't send her statements when requested to show the progress of her payments under her debt management plan and that the amount outstanding doesn't reflect her monthly payments and they're not reflected on her credit report. She also said that due to her situation and Loans 2 Go's refusal to help with the extra charges that it had added to her account, she wouldn't be able to continue making payments unless the amount was revised. She also wrote a letter to this service in which she said: *"This is what I asked Loans 2 Go to do to resolve my issue: Send me a statement of account with all payments in to date [; and] To look at the charges they have added and reduce the amount, as I can't afford anymore to pay them at this rate"*.

Her complaint was looked at by one of this service's investigators who, having considered everything, didn't think that it should be upheld as she was unable to see that Loans 2 Go had acted unfairly. She said that Loans 2 Go had made Miss M aware of the interest applied to the loan on the loan agreement and it hadn't applied any further interest since then and

she was satisfied that Loans 2 Go provided Miss M with a statement of the account each time one was requested.

Miss M didn't agree with the investigator's recommendation and asked for her complaint to be considered by an ombudsman. She has provided detailed responses to the investigator's recommendation and she says, in summary and amongst other things, that:

- she hasn't received any offer to reduce the amount of her loan and she didn't receive statements every time that she asked for one;
- on the rare occasions that she was able to log-in to her account, there was no option to see any transactions and only the option to request statements, which she did on several occasions but never received them;
- she has a problem with the interest being frontloaded which wasn't explained to her;
- she's asked for help, to no avail, and Loans 2 Go keeps referring to a decision on irresponsible lending which she didn't get;
- she says that she was suffering from mental health issues which kept her from escalating the issues; and
- she's also complained to Loans 2 Go about selling her account to a third party after it waived the interest and the balance was zero owed to it and that she's had no communication from the third party and a different company tried to take money from her debt management plan.

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.

It's clear that Miss M feels very strongly that Loans 2 Go hasn't dealt with her correctly but I'm not persuaded that her complaint should be upheld.

Miss M entered into the loan agreement for a loan of £999 from Loans 2 Go in December 2021. The loan agreement clearly set out the amount of credit, the total amount payable, the total charge for credit, the amount and rate of interest, and the number and amount of the monthly payments. The total amount payable (which comprised the amount of the loan and the interest) was repayable by 18 equal monthly instalments and that was the amount that Miss M agreed to pay. Miss M says that the interest is frontloaded which I take to mean that more of the payment goes to interest earlier in the term and more of the payment goes to capital later in the term. I'm not persuaded that Loans 2 Go has acted incorrectly in the way that it's applied interest or in the information that was given to Miss M before she entered into the agreement.

Loans 2 Go says that Miss M made two monthly payments but the account then fell into arrears and it was defaulted in June 2022. It also says that Miss M made a complaint to it about irresponsible lending and that it sent a final response to that complaint in March 2023 which said that it didn't uphold her complaint but, as a gesture of goodwill, it offered to write-off 50% of the interest on the loan. It says that it didn't receive an acceptance of the offer within six months and the offer was no longer valid. I've seen no evidence to show that the complaint that Miss M made to Loans 2 Go in February 2024 included a complaint about irresponsible or unaffordable lending so I'm unable to consider a complaint about that issue in this decision. And if Miss M has already complained to Loans 2 Go about irresponsible lending, she may now not be able to make another complaint about that issue.

Miss M said in February 2024 that Loans 2 Go had refused to provide her with a statement

for her account. It provided her with an account statement and said that she was provided with an annual statement in December 2023 and that an account statement was sent to her in February 2024. I can understand Miss M's frustration about the issues that she's had with getting statements, but I've seen no evidence to show that she told Loans 2 Go about those issues until February 2024. I'm not persuaded that there's enough evidence to show that Loans 2 Go has refused to provide her with a statement and I don't consider it to be likely that it would have done so.

The statement that it sent to Miss M showed that she'd made monthly repayments in January and February 2022 and that a number of payments were then made to her account between September 2022 and March 2024, which I understand to be payments made under her debt management plan. An interest waiver was shown on the account in March 2024 but I consider it to be clear that Loan 2 Go hadn't agreed to waive any interest at that time and I consider it to be more likely than not that the waiver was an accounting entry relating to the sale of the debt to the third party.

I've seen no evidence to show that any charges have been added to the account by Loans 2 Go or that Miss M has made any payments to the account which aren't shown on the account statement. Loans 2 Go is required to report true and accurate information about Miss M's payment history on her credit file. I've seen no evidence to show that the information that it's reporting on her credit file isn't a true and accurate record of her payment history on her loan account and I'm not persuaded that it would be fair or reasonable for me to require it to change or remove that information.

Loans 2 Go says that Miss M's debt was sold to a third party in March 2024 and she says that she's also complained to Loans 2 Go about issues relating to that so I'm unable to consider those issues in this decision. The third party is required to respond to any financial difficulties that Miss M is experiencing positively and sympathetically. If she hasn't already done so, I suggest that Miss M contacts the third party and explains her financial situation to it.

I appreciate that this will be disappointing for Miss M, but having considered all that she's said, I'm not persuaded that there's enough evidence to show that Loans 2 Go has acted incorrectly in relation to the issues that Miss M has complained to this service about. And I find that it wouldn't be fair or reasonable for me to require Loans 2 Go to now take any action in response to Miss M's complaint.

My final decision

For these reasons, my decision is that I don't uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 October 2024.

Jarrold Hastings
Ombudsman