

## **The complaint**

Mr R complains about the interest rate Everyday Lending Limited has charged for his fixed sum loan agreement. He's also unhappy with its actions when he asked to settle the loan early.

## **What happened**

Mr R took out a fixed sum loan agreement with Everyday Lending in June 2023. He says prior to entering into the agreement he was told the annual percentage rate (APR) on his loan would be 69.9%, however this was later increased to 97.3%, higher than he had requested. He says when he queried this with Everyday Lending, he was told it hadn't changed and was always 97.3%.

In October 2023, Mr R contacted Everyday Lending via telephone and email to settle his loan early. When he spoke to Everyday Lending and asked for a written breakdown of the amount owed, it shared the settlement figure with him and said it only issued yearly statements. Later in October 2023, he contacted Everyday Lending again via telephone and letter requesting a breakdown of the settlement figure. Unhappy with its lack of response and actions when he entered into the agreement, he raised a complaint.

Everyday Lending explained the APR was detailed in the loan documents and Mr R had the right to withdraw from the agreement within 14 days. It also said that it wrote to him with the settlement figure on 12 October 2023, but he didn't settle the account. It apologised for failing to send Mr R the account statement when he requested it and offered £50 to put things right.

Our Investigator looked into the complaint and upheld it in part. They felt the APR was set out clearly in the agreement and Mr R had the option to not proceed with the loan or withdraw from it within 14 days, so didn't think Everyday Lending needed to do more in relation to the interest rate. However, they thought Everyday Lending had acted unfairly when Mr R tried to settle the loan. So, they recommended that Everyday Lending rework the agreement based on the settlement figure from October 2023 and pay £150 compensation in addition to the £50 it offered.

Mr R accepted the Investigator's view. Everyday Lending disagreed. It said it has no record of the letter Mr R sent on 23 October 2023, and as the settlement letter issued on 12 October 2023 was still valid, it wouldn't have been able to generate a new one. It also said it shared the settlement figure with Mr R over the phone and he made no further contact until March 2024.

As Everyday Lending didn't agree, the case was 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.

I think it's important to firstly explain I've carefully considered everything both parties have said, if I don't directly reference something in my decision it is not because I've not given this consideration. But I've focused on what I consider to be the crux of the complaint.

The Investigator hasn't upheld Mr R's concerns about the APR charged on the loan. And I can see Mr R has accepted the outcome, so I don't intend to focus on this element. However I've considered this aspect and I'm satisfied Mr R isn't left in an unfair position in relation to the interest rate.

This leaves me to decide the outstanding issue about Everyday Lending's actions when Mr R requested to settle the loan early. Everyday Lending has offered £50 compensation for not issuing an account statement to Mr R. I've considered whether it needs to do more, and I think it does.

The evidence shows Mr R wrote to Everyday Lending on 12 October 2023 requesting an early settlement quote. He also contacted it via telephone on the same day. Having listened to this call, it's clear Mr R was looking for an early settlement quote along with a breakdown of this amount to be sent to him.

Everyday Lending has provided a settlement quote dated 12 October 2023. The letter is addressed to Mr R and has the correct address, so I think it is more likely than not it was sent. I accept that Mr R might not have received it, but I can't say Everyday Lending didn't send this to him – and any postal issues wouldn't be its responsibility.

However, I think Everyday Lending could have done more to assist Mr R when he contacted it again. Mr R contacted Everyday Lending on 20 October 2023 and made the same request. He explained that he asked for this previously but hadn't received it. He was then told a settlement quote letter would be sent out to him. But the evidence suggests this wasn't issued. He also wrote to Everyday Lending again on 23 October 2023 detailing his request and that he hadn't heard from them. So I think it was clear at this point Mr R hadn't received Everyday Lending's letter dated 12 October 2023. And I think it should have acknowledged one was sent to him previously and reissued that letter.

Everyday Lending has raised that it didn't receive Mr R's letter dated 23 October 2023. Mr R has provided evidence – which has been shared with Everyday Lending – to show it was signed for by the same individual that received his complaint letter (which Everyday Lending did receive). So I'm satisfied the letter had been delivered.

I note Everyday Lending's comments that the quote it provided on 12 October 2023 was valid until 9 November 2023, and Mr R was informed of the settlement figure over the phone which he could have paid. But Mr R wanted this in writing so he could understand the breakdown of its calculations. And I don't think this is unreasonable, how the early settlement figure is calculated is information Mr R is entitled to.

Because Mr R didn't receive a response from Everyday Lending, he contacted our service in January 2024, and then Everyday Lending again in February 2024 raising a complaint. So it's clear Mr R had to spend time chasing a response to this matter and wasn't able to settle his loan as he had wanted. Therefore, I don't think the amount offered reflects the impact on Mr R. And taking everything into account, I think an additional £150, as suggested by the Investigator, is fair and reasonable in the circumstances. This brings the total compensation to £200.

I've also carefully considered what Mr R would have done had he received the information he needed in October 2023. In addition to contacting Everyday Lending to say he'd like to settle the account multiple times, I've seen that Mr R made a payment on 9 May 2024,

following Everyday Lending's final response letter in April 2024, detailing the settlement amount owed. This payment was based on the settlement figure from October 2023. So like our Investigator, I'm persuaded Mr R would have more likely than not settled the loan by 9 November 2023 had he been provided with the information he had requested in October 2023. And on that basis, I think Everyday Lending should rework the loan account as outlined in the putting things right section.

### **Putting things right**

Everyday Lending must:

- Rework the loan account based on the settlement figure issued in October 2023.
- If the rework results in a credit balance, this should be refunded to Mr R along with 8% simple interest per year\* calculated from the date of each overpayment to the date of settlement. Everyday Lending should also remove any adverse information from Mr R's credit file and record the account as settled in October 2023.
- Or, if after the rework there is still an outstanding balance and Mr R settles the balance within 28 days, Everyday Lending should remove any adverse information from Mr R's credit file and record the account as settled in October 2023.
- Pay Mr R a total of £200 compensation.

\*HM Revenue and Customs requires Everyday Lending to deduct tax from the interest payment referred to above. Everyday Lending must give Mr R a certificate showing how much tax they've deducted if he asks them for one.

### **My final decision**

For the reasons set out above, I uphold the complaint about Everyday Lending Limited and direct it to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 April 2025.

Tania Henry  
**Ombudsman**