

## **The complaint**

Mr M complains about Allegiant Finance Services Limited (“AFS”) and the success fee they are charging him for, following a successful claim against Lender A.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, in early 2020 AFS were instructed to pursue a claim for mis-sold lending against Lender A on Mr M’s behalf.

AFS submitted this claim to Lender A. And they engaged with Lender A throughout a scheme of arrangement (“SOA”) process, with Mr M receiving a refund from this claim in June 2024. But Mr M was unhappy with AFS and the service they provided. So, he raised a complaint.

Mr M raised several issues within this complaint. They included, and are not limited to, his belief AFS had led him to believe they were working on behalf of Lender A. He disputed the electronic signature AFS held, set out why he felt he’d completed the work responsible for the refund he received and expressed his belief he had terminated his contract with AFS. So, because of the above, Mr M didn’t believe the fee AFS had invoiced him for was payable and he wanted this to be waived.

AFS responded to Mr M’s complaint and didn’t uphold it. In summary, they set out why they thought they were fair to charge their fee, in line with terms of the agreement Mr M entered into. And they set out why they were satisfied it was Mr M who entered into this agreement and that it was made clear they were a separate company from Lender A. So, they didn’t offer to do anything more. Mr M remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. Both parties have had sight of this outcome, so I don’t intend to repeat it in detail. But to summarise, our investigator set out why they thought AFS were fair to charge their fee. And that AFS kept Mr M reasonably updated and were fair to explain what action they would likely take, if payment of their fee wasn’t received. So, they didn’t recommend AFS take any further action.

Mr M didn’t agree. And he stated he wished to provide further information as he felt some of our investigator’s conclusions were factually incorrect. But Mr M didn’t provide further detail or clarity on this by the deadline our investigator provided. So, the complaint has been passed to me for a decision, based on the evidence and information we hold.

## **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’m not upholding the complaint for broadly the same reasons as the investigator. I’ve focused my comments on what I think is relevant. If I haven’t commented

on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr M. I appreciate Mr M feels he had direct contact with Lender A and so, he feels the fee AFS have invoiced for is unreasonable. I want to reassure him this is something I've considered at length when reaching my decision.

But I want to make it clear that the agreement Mr M entered into with AFS is a "no win no fee" agreement and so, isn't designed to be based on the amount of work AFS completed. Instead, it is based on the value of the claim should it be successful.

So, for me to say AFS shouldn't charge their fee, I'd need to be satisfied AFS completed no work of value on the claim. In this situation, I can't say this is the case and I'll explain why.

I've seen Mr M instructed AFS to pursue the claim on his behalf in May 2020, when he signed up to their services electronically. As Mr M instructed AFS electronically, I wouldn't expect a wet signature to have been used, nor is it something that would have been mandatory. As part of this sign-up process, Mr M provided personal information relating to himself and the loan, which I can't see Lender A disputed.

And I've seen following Mr M's instruction, AFS issued Mr M with a claims pack directed to the address we hold on file for him, which included a Terms of Engagement ("TOE"). Had Mr M not instructed AFS, I would have expected him to dispute this at the time. But I can't see he did. Instead, I can see that on several occasions Mr M responded to updates sent by AFS, requesting more detailed updates and asking why the claim was taking so long. Because of this, I'm satisfied Mr M most likely was aware of AFS involvement and that he had instructed them to act on his behalf.

Having read the TOE, I'm satisfied it's made reasonably clear to Mr M that AFS were a separate company pursuing his claim against Lender A, not that they were part of Lender A themselves. And the TOE also make it reasonably clear the work they would conduct, the fee they would charge and how Mr M could cancel the agreement.

Specifically, the TOE explains that AFS would "*submit a claim to {Lender A}.*" And following this, update Mr M where there was a material claim update. Having reviewed the evidence provided, I'm satisfied this is what AFS did, as I can see AFS provided Mr M with several updates through the claim journey which included the SOA, receiving confirmation from Lender A that an offer had been made, and paid, to Mr M in June 2024. As Lender A provided AFS with this information, I'm satisfied Lender A saw AFS as Mr M's representative and so, that the claim originated from the work AFS completed.

Because of this, I'm satisfied AFS acted fairly, and in line with the TOE Mr M entered into, when invoicing him for their fee, which is calculated at the percentage set out within the same document. I appreciate Mr M won't agree with the above. And I want to reassure him I've thought carefully about his reasons why, which include his belief he terminated his agreement with AFS.

But crucially, I've seen no evidence to show Mr M attempted to terminate his agreement with AFS until 14 June 2024. And by this point, Lender A had already notified AFS of the claim's success.

The TOE make it reasonably clear if Mr M cancelled the agreement after the 14-day cooling off period, which he did, then AFS' success fee would remain payable if a settlement proposal had been offered by Lender A. This was the situation here and so, I'm satisfied

AFS were fair to continue with their invoice.

And while I recognise the claim took several years to reach an outcome, I can't say this was the fault of AFS'. As I've outlined above, an SOA was put in place which was agreed with the industry regulator via the high court, to assist Lender A in settling the claims made against them. This SOA took some time to process and then, it took some time for Lender A to work through the volume of claims they had received. None of this was within AFS' control and so, these delays don't impact the validity of their invoice.

I can see throughout this time AFS continued to update Mr M, with him responding to some of these updates. And while it may be that Mr M engaged with Lender A directly at times, this was his own choice to make when I'm satisfied he ought to have been reasonably aware he had instructed AFS to do this work as his representative. So, I'm not persuaded this should lead to AFS waiving or reducing the outstanding fee.

The same can be said for the delay in payment being received from Lender A. This was Lender A's responsibility as Mr M chose to have the payment made to him directly. So, this isn't something that impacts the fee AFS have charged.

Nor can I say AFS have acted unfairly when making Mr M aware of the actions they will take if this fee remains unpaid, as I would expect them to make Mr M reasonably aware of the possible sanction for non-payment, considering I'm satisfied the fee is reasonable and due.

So, because of all the above, I'm satisfied AFS have acted fairly when invoicing Mr M for their success fee and so, I'm not directing them to take any further action.

I understand this is unlikely to be the outcome Mr M was hoping for. And I want to make it clear again I've considered all his complaint issues, even if I haven't commented on them directly within this decision. The decision has focused on the points I'm satisfied are pertinent to the decision I've reached, in line with our services informal approach.

### **My final decision**

For the reasons outlined above, I don't uphold Mr M's complaint about Allegiant Finance Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 July 2025.

Josh Haskey  
**Ombudsman**