

## **The complaint**

Mr J has complained about the way Propensio Finance Limited administered a fixed sum loan agreement.

## **What happened**

The circumstances of the complaint are well known to the parties so I'm not going to go over them again in detail. But, to summarise, in January 2024 Mr J entered into a fixed sum loan agreement with Propensio to pay for a solar panel system from a supplier I'll call "S". The cash price of the system was £17,351 and Mr J paid a £100 deposit. The duration of the agreement was 126 months, and it required 120 payments of around £280. The total amount payable under the agreement was £34,108 if it ran to term. And it gave Mr J the option to avoid paying interest if he repaid the agreement early within an interest free period. But if he didn't repay the total amount borrowed in that time, he'd be required to pay interest from the date Propensio advanced the credit to S.

Mr J raised a separate complaint against S about the sale of the agreement and the solar panel system. This was dealt with separately at the Financial Ombudsman, so I won't be commenting on the subject matter of that within this decision.

Mr J didn't clear the loan within the interest free period but started to make monthly payments. He spoke to Propensio in February 2025 because he wanted to settle the agreement early. Propensio gave him a settlement figure, but Mr J thought it was too high. He said he hoped Propensio was only charging interest from August 2024 onwards. Mr J complained and I understand he made a payment of £16,000. But he was left owing around £2,100, which he was unhappy with. He said he'd already paid around £700 more than the purchase amount. He said the delay in settlement was because of his complaint with S.

Propensio responded to the complaint to say it calculated the settlement quote correctly. Mr J asked the Financial Ombudsman to investigate.

One of our investigators looked into things but didn't make any recommendations. He didn't think Propensio acted unfairly in the way it calculated the settlement figure.

Mr J didn't agree. He said he wants an ombudsman to make a decision and calculation to settle the account. He said he'd been caused distress and inconvenience for over a year. He thought Propensio was cheating customers. He reiterated the interest should be calculated from August 2024 onwards.

As things weren't resolved the complaint has been passed to me to decide.

## **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 also want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr J and Propensio that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr J paid for the system using a fixed sum loan agreement. This is a regulated consumer credit agreement, and our service is able to consider complaints relating to these sorts of agreements.

I'm required to consider complaints quickly and with minimum formality. The relevant formula for calculating rebates upon early repayments or early settlements isn't straight-forward. And we're not generally in a position to audit a lender's calculations. The respondent firm is usually better placed to work out the figures. So what I need to consider is whether there's been an obvious error to enable me to conclude that Propensio's figures are incorrect.

Mr J has indicated he thinks the interest should not have been applied before August 2024 but the agreement he entered into set out interest would be calculated from the date Propensio advanced the credit to S if the loan wasn't cleared within the buy now pay later period. So I don't think Propensio acted unfairly by charging interest from February 2024 when the loan wasn't cleared within those first few months.

Mr J has also indicated the settlement was delayed because of him pursuing his complaint against S. But S is a separate business to Propensio, so Mr J pursuing a complaint with S doesn't give me the grounds to direct Propensio to remove or reduce interest. Propensio responded to Mr J's complaint and billing enquiry promptly. So I don't think it caused Mr J the distress he's mentioned.

As a starting point, it looks like the base figures used by Propensio were correct. Our investigator ran some basic calculations that he said showed the outstanding balance was broadly right. I'm also conscious that Propensio has applied the sort of rebate I'd have expected off the back of the £16,000 payment. I think it's done that in line with its requirements. It hasn't made an obvious mistake.

Overall, while I can understand why Mr J is unhappy he's paying more than he wanted towards the credit agreement, I can't see the balance has been calculated incorrectly. I don't find I have the grounds to direct Propensio to take any further action.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 7 July 2025.

Simon Wingfield  
**Ombudsman**