

## **The complaint**

Mrs O complains that Loans 2 Go Limited changed the date her loan repayment became due without telling her. She says this has resulted in her debt being passed to a third-party.

## **What happened**

Mrs O took out a loan account with Loans 2 Go. She says she agreed with Loans 2 Go that she would make repayments on the 27th of each month, which she did. But then in January 2024, she says Loans 2 Go changed her payment date to the 17th of each month. She says she hadn't received any prior notification of this change and she hadn't agreed to it.

Mrs O says she made attempts to contact Loans 2 Go about the situation as she felt Loans 2 Go had acted unlawfully. She said she didn't hear anything back from Loans 2 Go and instead received correspondence from a debt collector asking her to pay £2,155.

Mrs O says she hadn't received a notice of reassignment stating that her accounts had been passed to the debt collector, and she didn't think the amount the debt collector was asking for repayment of was correct. She adds that passing her information to the debt collector was a breach of data protection legislation.

To put things right, Mrs O would like Loans 2 Go to take back the debt, agree to a repayment date of the 27th of each month and reinstate her right to repay the balance early.

An Investigator considered the information provided by both parties, but they didn't think Mrs O's complaint should be upheld. They didn't think Loans 2 Go had changed the payment date, instead they explained that Mrs O had missed a payment in September 2023, and the terms and conditions of the account allowed for Loans 2 Go to collect smaller repayments on different dates until the amount of arrears had been cleared. The Investigator also explained that Loans 2 Go hadn't done anything wrong when it reassigned Mrs O's account to a debt purchaser.

Mrs O didn't agree with the Investigator's view, I have summarised her main points below:

- Loans 2 Go broke the agreement by trying to collect a repayment from her on a different date to that agreed. She says it was wrong of Loans 2 Go to have changed the terms of the agreement without giving her prior notice.
- Loans 2 Go sold her debt to a third-party debt purchaser while she was disputing the matter with Loans 2 Go. This has negatively impacted her credit file.
- She disputes the amount the debt purchaser is saying she owes.

Because an agreement couldn't be reached, the complaint was passed to me to decide on the matter.

I previously issued a provisional decision on this case, that's because it was my intention to come to the same outcome as the Investigator, but I wanted to explain my reasons for this in more detail.

I have copied my provisional findings below, which also form part of this final decision.

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."*

*Having considered all of the available evidence, I don't intend to uphold Mrs O's complaint. I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my provisional decision. I say this as I'm aware I've summarised Mrs O's complaint in less detail than she has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint."*

#### Payment date

*The main crux of Mrs O's complaint is that she had an agreement with Loans 2 Go that she would make repayments on 27th of each month. However, she says that from January 2024, it attempted to collect repayments from her on the 17th of each month.*

*Looking at the loan agreement between the parties, I can see that it says payments will be collected on the 17th of each month, this agreement is dated 16 July 2023. However, I can also see a note on Loans 2 Go's systems which shows that the payment date was the 27<sup>th</sup> of each month, and I can see a continuous repayment authority which shows the 27th of each month was the repayment date. So, I'm satisfied that Mrs O had agreed to repay Loans 2 Go on the 27th of each month.*

*From looking at the loan statement available to me, I can see Mrs O made the agreed repayment in July and August 2023. However, the loan statement shows that no payment was made in September 2023, as per the agreement. I can see from Loans 2 Go's notes that it contacted Mrs O on a number of occasions to let her know she had missed a payment and to seek repayment, but it doesn't appear that a payment was made again until 20 October 2023. There wasn't a payment then made on 27 October 2023 to bring the account back up to date, and so the account was in arrears at this point.*

*Again, I've looked at the loan agreement and the continuous payment authority to see what the parties had agreed where a payment had been missed. This states:*

*"If you mandate payment by debit card by way of a Continuous Payment Authority and your payment declines you authorise us to take smaller incremental payments, on or after the mandated payment date, until the total mandated payment is made".*

*So, in this case, because Mrs O's account was in arrears as a result of the September repayment having been missed. Mrs O's agreement with Loans to Go states that it could collect smaller repayments on different dates, until the arrears are cleared. The arrears weren't cleared, which is why it is likely Loans to Go attempted to collect payments on other dates.*

*I can see that Loans 2 Go sent Mrs O a notification on 18 January 2024, letting her know that her account had gone into arrears. This wasn't because the payment date had been changed, but because the account hadn't been brought back up to date following the missed payment in September.*

*I haven't seen any evidence to suggest that Loans to Go changed the payment due date. It was just trying to recover the amount the account was in arrears by – on different dates, which was part of the agreement she had with it.*

*Mrs O didn't make any payments to Loans to Go after December 2023. This will have inevitably had a negative effect on her credit file. But given that repayments remained due, and they weren't paid, I can't fairly conclude that Loans 2 Go have done anything wrong by reporting this information to the Credit Reference Agencies. Loans 2 Go has a responsibility to report accurate information to the Credit Reference Agencies, and I haven't seen any evidence to suggest it hasn't done this.*

*In addition to this, it appears that Loans 2 go have defaulted Mrs O's account, which will have been reported to the Credit Reference Agencies. The Information Commissioner's Office (ICO) provides guidance on when an account should default, which is when it is between three to six months in arrears. As I've explained, Mrs O didn't make a repayment after December 2023. The notes I've seen suggest the account defaulted in April 2024, which is in line with the ICO guidance. I can also see that Loans 2 Go attempted to contact Mrs O on many occasions prior to the account defaulting, so I'm satisfied she ought to have been aware of the arrears on the account, and the potential consequences of a default.*

#### Debt sale

*Mrs O says she wasn't made aware that Loans 2 Go were going to pass her debt to a third-party. And it has breached data protection legislation by passing her information to the debt purchaser.*

*I'll start by saying that I can't make a finding that Loans 2 Go has acted unlawfully, as Mrs O has suggested it has – only a court can do this. That being said, I can look to see if Loans 2 Go acted fairly and reasonably in passing Mrs O's information to the debt purchaser. And I think it has.*

*It isn't uncommon for an unpaid debt to be sold to a debt purchaser. This isn't inherently unfair or unreasonable. In this case, Mrs O didn't keep up with the agreed repayments and so she had, in effect, broken the agreement she had with Loans 2 Go. And it transferred its rights under the agreement to the debt purchaser.*

*Again, I have looked at the agreement Mrs O took out with Loans 2 Go. This states:*

*"We may transfer, assign and/or charge this Agreement or our rights under this Agreement provided that this does not affect your obligations under this Agreement or your statutory rights, including your rights under the Consumer Credit Act 1974".*

*So, I'm satisfied that Loans 2 Go acted in line with the agreement when it sold the debt. I can see from Loans 2 Go's notes that it sent Mrs O an email on 12 June 2024. The note describes the emails as "Notice Of Assignment ([debt purchaser name removed]) [goodbye] email sent on 12/06/2024". While I don't know the contents of the email, I'm satisfied that it was likely letting Mrs O know that her debt had been sold to a debt purchaser.*

*I note Mrs O is concerned that she didn't agree to her information being passed to the debt purchaser. But as I've explained above, the agreement she entered into allows it to do this. I can also see from looking at Loans 2 Go's privacy notice on its website, there is a section titled "Who we share your personal information with", it then says "We may share your personal information with these organisations:....any company or person to whom we sell or transfer our business or our rights under any agreement we may have with you."*

*So again, I'm satisfied that Loans 2 Go has acted in line with its privacy policy when passing Mrs O's information to the debt purchaser, so I can't find that it has acted unfairly or unreasonably here. However, if Mrs O has further concerns with how Loans 2 Go has handled her personal information then she may contact the ICO.*

#### *Outstanding balance passed to the debt purchaser.*

*Mrs O doesn't think that the amount the debt purchaser is asking her to repay is correct. To be clear, I can only investigate the acts or omissions of Loans 2 Go as part of this decision. So, I can't comment on the actions of the debt purchaser. But I will look to see if the amount Loans 2 Go passed to the debt purchaser appears correct, and I think it does.*

*When Mrs O took out the loan agreement, the details of the agreement were as follows:*

- *Amount Of Credit: £806.77*
- *Duration Of The Agreement: 18 months*
- *Monthly Interest Rate: 15.0%*
- *Total Amount Payable: £2,985.12*
- *Repayment Frequency: monthly*
- *Instalment Amount: £165.84*

*So, when the loan started, the total amount payable (the full amount owed by Mrs O) was £2,985.12, and this was due to be repaid back to Loans to Go over the course of 18 months at £165.84 a month.*

*At the start of the loan, Mrs O owed Loans 2 Go £2,985.12. She made five repayments of £165.84 towards the loan in July 2023, August 2023, October 2023, November 2023 and December 2023. The total amount she paid was £829.20. The total amount payable, less the total amount she paid, equals £2,155.92. This is the amount Loans 2 Go told the debt purchaser she owed when the debt was sold, which appears to be correct based on the above information. So, I can't fairly say that Loans 2 Go has passed incorrect information to the debt purchaser.*

#### *Summary*

*Overall, I'm currently satisfied that Loans 2 Go have acted fairly and reasonably in relation to Mrs O's complaint. I appreciate this outcome will come as a disappointment to her, however I hope my explanation goes some way to explaining what has happened and why. Because I don't intend to uphold Mrs O's complaint, I won't be asking Loans 2 Go to do anything to put things right for her."*

*Loans 2 Go didn't respond to the provisional decision by the deadline set.*

*Mrs O responded and I have summarised her main points in my own words below:*

1. *There's no evidence showing that Loans 2 Go had the right to change the date of contract agreed without notification.*
2. *Mrs O doesn't believe that she missed a payment in September.*
3. *There's no evidence to show that Loans 2 Go attempted to contact her about the missed payment.*
4. *Under Part 31 Civil Procedure Rules Mrs O would like Loans 2 Go and the debt purchaser to disclose and send to her all the relevant documents.*

5. Mrs O says that the loan agreement this Service provided her with doesn't include a term that would allow Loans 2 Go to collect smaller increments where a payment had been declined. Loans 2 Go didn't try to collect smaller payments and instead tried to collect the full amount on a different date and so she feels this is proof that it changed the terms of the agreement.
6. Loans 2 Go's internal notes do not indicate that she was in arrears.
7. Loans 2 Go cancelled the agreement without her consent, and it attempted to collect a payment from her after it cancelled the agreement. She has referred to a note on her account from 27 September 2023 as evidence of this.

### **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 considered all of the evidence available to me again, I have decided not to uphold Mrs O's complaint for much of the same reasons as set out in my provisional findings. However, I have provided an answer to some of her points below.

1. I have already explained to Mrs O that I haven't found that Loans 2 Go had changed the terms of the loan agreement, and the reasons I reached this conclusion were set out in my provisional decision, copied above. I don't intend to go over this again.
2. The evidence I have seen, by way of transaction data, shows that the September payment was missed. I'm persuaded that this evidence is reliable, and Mrs O hasn't sent me any evidence to show that she made the September payment, and so I'm satisfied she did miss a payment.
3. Loans 2 Go has sent me contact notes which show the times it had attempted to contact Mrs O about the missed payment. I have no reason to believe that these notes aren't reliable.
4. Mrs O has referred to Civil Procedure Rules. These rules apply to court procedures and this Service is an alternative to the courts. Mrs O can approach Loans 2 Go or the debt purchaser to ask them to provide her with the documents she wants to see.
5. I have checked the copy of the loan agreement sent to Mrs O by this Service. It does include the section that states *"If you mandate payment by debit card by way of a Continuous Payment Authority and your payment declines you authorise us to take smaller incremental payments, on or after the mandated payment date, until the total mandated payment is made"*. This can be found under the Section titled *"Terms of Agreement"*, and it is Part 1 titled *"Payment"*. I accept that Loans 2 Go didn't attempt to collect smaller amounts in this instance and instead attempted to collect the full monthly amount due. But I don't find this to be evidence that Loans 2 Go changed the terms of the agreement. Instead, I think it tried to collect the payment on different dates to recover the amount outstanding.
6. When Mrs O missed the payment due on 27 September, Loans 2 Go's notes show that it contacted her to let her know on 27 September, 28 September, 5 October, 12 October. Then on 18 October it sent her communication, which amongst other things said, *"your account has unfortunately fallen into arrears of £165.84"*. So, I'm satisfied that Loans 2 Go let Mrs O know the account was in arrears following the missed payment in September.

7. Mrs O's agreement wasn't cancelled on 27 September 2023. The note on Loans 2 Go's systems appears to relate to the payment method having been cancelled, which is why the next note on the account, added a couple of hours later, let Mrs O know there had been a problem collecting her payment. So, Loans 2 Go didn't cancel Mrs O's loan agreement in September 2023.

Based on all the evidence I've been provided with, I'm not persuaded Loans 2 Go has acted unfairly or unreasonably here.

### **My final decision**

For the reasons set out above, I don't uphold Mrs O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 27 June 2025.

Sophie Wilkinson  
**Ombudsman**