

The complaint

Mrs K complains that Madison CF UK Limited trading as 118 118 Money irresponsibly lent to her.

What happened

118 118 Money lent Mrs K a loan in April 2024 for £1,000. Mrs K has an outstanding balance on the account and the loan hasn't been fully repaid.

When Mrs K complained to 118 118 Money, it upheld her complaint and offered to refund interest, fees and charges. Unhappy with 118 118 Money's response, Mrs K referred her complaint to this service as she believes the interest rate on her loan was so high that it has caused her distress and inconvenience.

One of our investigators looked at the complaint and thought 118 118 Money had done enough to put things right for Mrs K. Mrs K didn't think that was sufficient and asked for 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.

In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and (if appropriate) what I consider was good industry practice at the time.

In this complaint, 118 118 Money accepts it lent to Mrs K when it shouldn't have and has made an offer to put things right for Mrs K. This offer means that all interest, fees and charges attached to the loan is removed and any adverse information about the loan is removed from Mrs K's credit file.

When a business has lent to a consumer it shouldn't have lent to, this service will typically direct the business to remove interest, fees and charges as a way to put the consumer back in the position they would have been but for the error of the business. In those circumstances, the consumer will only repay the capital amount they had used.

In this case, Mrs K borrowed £1,000 and 118 118 Money removing the interest, fees and charges applied to her loan, means she will only repay the capital amount of £1,000, which she has borrowed and had use of. 118 118 Money will also remove any adverse information recorded about the loan on Mrs K's credit file.

As Mrs K's complaint is about the high interest rate and 118 118 Money's offer removes all interest and charges from her loan, I think it has put things right for her and there isn't a continuing detriment as she won't be paying any interest, fees and charges on the loan.

From all the information provided, I'm satisfied 118 118 Money has taken steps to put things right for Mrs K in a way that is fair and so I won't be asking it to do any more. I appreciate Mrs K believes further compensation should be due but having considered all the information, I don't think 118 118 Money should do more than it has offered. I think its offer is in line with what this service would recommend in similar circumstances and I haven't seen anything that persuades me that Mrs K should be offered compensation beyond what 118 118 Money's reasonable offer.

I appreciate my finding will likely disappoint Mrs K but I hope my explanation makes clear why I have reached these conclusions.

I've also considered whether 118 118 Money acted unfairly or unreasonably in some other way, including whether its relationship with Mrs K might have been viewed as unfair by a court under s.140A Consumer Credit Act 1974.

However, I'm satisfied the redress already offered results in fair compensation for Mrs K in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

My final decision

For the reasons given above, I do not uphold this complaint or make any further awards against Madison CF UK Limited trading as 118 118 Money.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 7 November 2025.

Oyetola Oduola
Ombudsman