

The complaint

Miss J says Amplifi Capital (U.K.) Limited, trading as Reevo Money, irresponsibly lent to her.

What happened

Miss J took out a loan for £5,000 over 60 months on 16 April 2024. The monthly repayments were £147.11.

Miss J says Reevo Money should never have accepted her application, she was already spending a large portion of her income on credit repayments.

Reevo Money says its checks looked at Miss J's finances, including her debts and regular expenses and it found that she would still have enough money after paying her existing debts, regular expenses and the new loan payment.

Our investigator did not uphold Miss J's complaint. He said Reevo Money's checks were proportionate and it made a fair decision based on the information it gathered.

Miss J disagreed and asked for an ombudsman's review.

I reached a different conclusion to the investigator, so I issued a provisional decision. An extract follows and forms part of this final decision. I asked both parties to send any comments by 18 July 2025.

Extract from my provisional decision

I've looked at the checks Reevo Money carried out. It asked for Miss J's income and verified this through one of the credit reference agencies. It sense checked her living costs using national averages. It carried out a credit check to understand her credit history and existing credit commitments. From these checks combined it concluded Miss J had enough disposable income for this loan to be sustainably affordable.

I don't think these checks were proportionate given Miss J's level of indebtedness. She had declared an income of £40,000 and had unsecured debts of £42,789 – and had taken out three new lines of credit in the last three months. So I think Reevo Money need to check Miss J's actual financial position before lending. I have taken into account that the loan was for debt consolidation – but as it would only allow her to settle around 12% of her total debt owing this does not change my finding.

Had Reevo Money reviewed Miss J's actual income using either payslips or bank statements it would have learnt she had a net monthly income of £1,987.73. Given it knew her existing credit commitments were £1,426.58 per month I think even without reviewing the actuals for her fixed living/housing costs it ought to have been concerned. Spending over 70% of income on unsecured credit is not sustainable and, as the industry knows, should be seen as an indicator of pending financial difficulties. I am aware Miss J's income rose from April 2024 to £2,391 but this would not have relieved the financial strain to the extent that it changes my finding. Using either her pre or post April income in Reevo Money's affordability

assessment would have shown that Miss J did not have the disposable income needed to take on this loan over its five-year term.

I anticipate Reevo Money will argue that this debt was not incremental as it was to settle some of her existing debts. But I cannot see it knew which debt and, based on the makeup of her debt, it would most likely be revolving credit as it was not enough to repay the hire purchase agreement. This would mean she could still have access to those lines of credit presenting the risk that she could use the limits again adding to her financial strain. It would only allow her to settle a small percentage of her total debt.

In the round, I cannot see Reevo Money had the assurances it needed before lending that this loan would not go on to cause Miss J financial harm.

It follows I do not think Reevo Money should have lent to Miss J at this time.

I then set out what Reevo Money would need to do to put things right.

Miss J replied and accepted the provisional decision. Reevo Money did not respond.

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.

We've set out our approach to considering unaffordable and irresponsible lending complaints on our website including the key relevant rules, guidance and good industry practice. I've had this approach in mind when considering Miss J's complaint.

As neither party sent in any new information or comments for me to consider I have no grounds to change the findings or conclusion in my provisional decision.

It follows for the reasons set out above, I do not think Reevo Money should have lent to Miss J.

Putting things right

It is reasonable that Miss J repay the capital she borrowed as she has had the benefit of that money. But she has paid interest and charges on a loan that should not have been given.

So Reevo Money should:

- Refund/remove all interest and charges and treat all repayments Miss J made as repayments of the capital.
- If this results in any overpayment this should be refunded to Miss J along with 8% simple interest (calculated from the date the overpayments were made to the date of settlement)*.
- If this results in there being an outstanding capital balance Reevo Money must agree an affordable repayment plan with Miss J.
- Remove any adverse information from Miss J's credit file once any outstanding capital balance has been repaid.

*HMRC requires Reevo Money to deduct any tax from any award of interest. It must give Miss J a certificate showing the deductions if she asks for one.

I've also considered whether the relationship might have been unfair under Section 140A of

the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed above results in fair compensation for Miss J 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

I am upholding Miss J's complaint. Amplifi Capital (U.K.) Limited trading as Reevo Money must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 15 August 2025.

Rebecca Connelley
Ombudsman