

The complaint

Ms T complains that Bank of Ireland (UK) plc ('BOI') weren't clear when she took out her loan that interest was front loaded and she'd pay an early repayment charge ('ERC') for paying it off early. She's unhappy that she didn't receive her terms and conditions which set this out.

Ms T wants a fair settlement figure.

What happened

Ms T wanted to repay her personal loan early and got a settlement figure in February 2025. This included an ERC which she wasn't expecting. She asked for terms and conditions to be sent to her, paid £8,000 in partial settlement, and raised a complaint citing breach of the Financial Conduct Authority's Principles.

BOI didn't uphold Ms T's complaint, so she referred it to the Financial Ombudsman Service to investigate. Ms T said she'd not been sent her terms and conditions and had thought the loan had been fee free. She thought BOI had breached the Consumer Duty because reasonable adjustments hadn't been made to support her, as she'd needed to see things in writing.

Our investigator didn't think BOI had treated Ms T unfairly in relation to the ERC or the front loading of interest. However, he recommended BOI pay Ms T £100 compensation because she hadn't been sent her terms and conditions, and this had caused her distress and inconvenience.

Ms T agreed with the recommendation. BOI disagreed and sought an ombudsman's decision. BOI said they sent the terms with their final response letter. BOI considered the provision of the terms and conditions formed part of their complaints handling rather than the main complaint and said this issue fell outside the Financial Ombudsman Service's jurisdiction.

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've taken into account any relevant law and regulations, the regulator's rules, guidance and standards to include the Consumer Duty, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so I broadly agree with the reasoning of our investigator. I think BOI have treated Ms T unfairly and should pay Ms T £100 for her distress and inconvenience.

I agree with our investigator's findings in relation to the interest on Ms T's loan being front loaded, and the way the ERC was calculated. I don't think anything went wrong here. I note Ms T accepts these findings so I don't need to address this further.

I disagree that the provision of the terms and conditions and other documents is a matter outside of my jurisdiction to consider. I think they form part of how BOI engaged with Ms T about the interest and ERC, and how they supported her understanding of what was happening on her account.

The Consumer Duty sets out the importance of firms supporting customers throughout the lifecycle of a product or service, ensuring that relevant information is communicated to their customers when they need it so they can understand the product and/or service they're applying for or using.

Before the Consumer Duty was in force, there was still a requirement for firms to treat their customers fairly (Principle 6), and communicate with their customers in a way which was clear, fair and not misleading (Principle 7).

Ms T said she has additional needs and therefore needs to see things in writing. I'm not persuaded BOI were made aware of Ms T's needs until she raised her complaint. But in any event I'd expect BOI to treat Ms T fairly by sending the documents they'd agreed to provide within a reasonable timeframe. I don't think that's happened here.

A manager at BOI agreed to send Ms T copies of statements, an interest breakdown, her credit agreement and terms and conditions on 13 February 2025. Ms T says she received a one-page letter on 17 February 2025, but this didn't include the terms and conditions. She raised this in her email to BOI dated 17 February 2025.

BOI said the terms and conditions and the credit agreement were enclosed in their final response letter dated 25 March 2025. But Ms T says they weren't enclosed.

When reviewing this matter, where evidence is incomplete, inconclusive or contradictory, I have made my decision on the balance of probabilities – in other words, this means I've based it on what I think is more likely than not to have happened given the available evidence and the wider circumstances.

BOI provided a screenshot of their system notes showing a request was made for the final response letter to be printed and there was a note that asked for the agreement and terms and conditions to also be printed and sent. The task is recorded as being actioned by BOI on 26 March 2025.

On balance I am persuaded it's likely that BOI actioned the main task of printing the final response letter and overlooked the additional notes requesting further documents be included. I note the enclosures listed at the end of the final response letter only included the Financial Ombudsman Service leaflet, not any additional documents.

The alternative, which I find unlikely, is that Ms T received the agreement and terms and conditions and overlooked these or lied about receiving them. I can't see why Ms T would do this, given she wanted and needed to see them before deciding whether to pay off her balance.

In any event I think BOI ought reasonably to have arranged to send the documents when these were first requested and promised on 13 February 2025. I haven't seen any evidence to suggest that BOI arranged this until the final response letter was sent, which I think was unreasonable.

I accept it was difficult for Ms T to understand what was happening and make decisions about her account without these documents. BOI had referred to her terms when discussing

the ERC and her interest, and when responding to her complaint, but she'd not been able to see these until she'd complained to the Financial Ombudsman Service. I acknowledge BOI say Ms T would have had these upon taking out the loan, but I don't think it's unreasonable that Ms T needed a copy to be provided.

In these circumstances I think Ms T's been caused avoidable upset and inconvenience. I think it's fair that BOI pay £100 to recognise this.

Putting things right

Bank of Ireland (UK) plc must pay Ms T £100 for her distress and inconvenience.

My final decision

For the reasons I've outlined, Bank of Ireland (UK) plc must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 20 October 2025.

Clare Burgess-Cade
Ombudsman