

The complaint

Mr M complains that Madison CF UK Limited trading as 118 118 Money (Madison) failed to give him adequate information at the start of his loan about how early settlements would be calculated.

What happened

Mr M took a loan with Madison on 29 January 2019. The loan was due to be in place for a period of 24 months, but Mr M settled it early on 21 May 2019. He says the way Madison calculated the early settlement figure means he paid around £90 more than he believes he should have or than is fair.

Mr M complained to Madison about this. They didn't uphold his complaint; they said the early settlement figure was calculated in accordance with the Consumer Credit (Early Settlement) Regulations 2004. They also laid out the calculation for Mr M to see the figures including the 58 days interest they charge for settling a loan early.

Mr M remained unhappy with Madison's explanation and so brought his complaint to our service.

Our investigator didn't uphold Mr M's complaint saying he was satisfied that Madison had explained there could be additional interest charges upon early settlement. Mr M didn't agree and so the matter 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 realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. If I've not reflected something that's been said in this decision, 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.

Mr M has made it clear his complaint is not about how the settlement figure was calculated but about the information he was given at the start of the loan. And that it wasn't clear how it would be calculated. He says he thinks this goes against the FCA's principles of treating customers fairly.

Mr M was provided with information including the terms and conditions and the loan agreement before he signed to say he wanted to accept the loan offer.

The loan agreement is made up of three pages – the first page being the terms of the loan including details such as Mr M's bank account number, where the funds will be paid to.

At the top of the second page there is a section explaining early repayments. In this section

it explains that Mr M will have the right to early settlement and explains there may be additional interest charges. It doesn't explain exactly how any early settlement figure will be calculated.

Page three of the agreement is a declaration – it asks Mr M to read before he accepts the agreement. There are seven points highlighted in Bold for Mr M to agree to. The fifth point is:

You understand that the Terms and Conditions are part of this Agreement and You confirm that You have read them before signing this Agreement. You confirm You have also read the “Pre- Contract Credit information” and the “Important Information About Your Loan” as these documents also contain important information about this loan.

I accept that the loan agreement doesn't fully cover how calculations for early settlement are made. But I'm satisfied that Madison gave enough information here and that it was prominent in the loan agreement. It's clear from Mr M's complaint that he would have liked to have received more information about the calculation of the early settlement figure, but I'm not persuaded that there was any requirement for Madison to include more detailed information about the calculation of the early settlement figure in the loan agreement or the other documentation they provided prior to Mr M agreeing to the loan.

Even if Madison had given a more detailed explanation of how early settlement figures are calculated, I have seen nothing to persuade me Mr M would have made a different choice here. So, it follows I won't be asking Madison to do anything different here.

I realise this isn't the outcome Mr M was hoping for and that he may be disappointed with, but my decision ends what we – in trying to resolve his dispute with Madison – can do for him.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 December 2025.

Amber Mortimer
Ombudsman