

## The complaint

Miss G complains that Amplifi Capital (U.K.) Limited trading as Reovo Money was irresponsible in lending to her and didn't support her through financial difficulty.

## What happened

In March 2024, Miss G entered into a loan agreement with Reovo Money. The loan was repayable by monthly instalments over 30 months. By the end of 2024, Miss G was struggling to keep up with the repayments. She wrote to Reovo Money on 30 January 2025 and explained the difficulties she was experiencing. She told it about the very difficult and stressful personal circumstances she was dealing with, which were contributing to her financial difficulties. She said that she'd told Reovo Money about this before, but it hadn't acknowledged the situation.

Miss G said she was receiving support and advice from a debt advice charity. She said that her situation was very unlikely to improve soon and asked Reovo Money to consider writing off or reducing her debt. Failing that, she said she would need to agree a payment arrangement that would be affordable. Miss G didn't receive any response to this letter.

Reovo Money defaulted Miss G's account in March 2025 and asked a debt collection agency to act on its behalf.

Shortly afterwards, Miss G raised a complaint. She said that Reovo Money's decision to lend to her was irresponsible, given her financial circumstances at the time. She said she already had many financial commitments and was reliant on her overdraft and short-term borrowing. She said that her low disposable income meant there was no leeway in her finances, so any change in circumstances meant she would struggle with repayments.

In addition, she said that when she told Reovo Money about her drop in income and difficult personal circumstances, it offered very little support. She said that breathing space wasn't applied until six months later and she felt pressured to make payments she couldn't afford because Reovo Money had threatened to default her account and take collection action. She said that arrears built up rather than being deferred, which made it impossible for her to get back on track with payments. And she said that Reovo Money didn't carry out any additional affordability assessments or offer to accept reduced payments.

Miss G said she had tried to contact Reovo Money to resolve these issues, but her efforts were repeatedly ignored. She didn't think it had treated her fairly as a vulnerable customer. She said that a default was registered within days of her breathing space ending, without any notice to her. She explained that all of this had caused even more stress and anxiety on top of her existing severe mental health issues and very fragile state.

In response, Reovo Money said it had acted responsibly when deciding to lend to Miss G. It said it had carried out appropriate checks and concluded that the loan was affordable. So it didn't uphold that part of her complaint.

In relation to the subsequent service, it said that it had a responsibility to make Miss G aware of the arrears, which it said would not have been removed from her account even if payments had been deferred. It said it had placed a 30-day hold on her account on more than one occasion. And that, by defaulting the account, it had been able to write off interest of more than £270. It said that it hadn't been able to set up a repayment plan because Miss G's income and expenditure form showed a deficit – that is, her outgoings were more than her income. But it agreed that it could have supported Miss G better and paid her £75 in recognition of this.

Miss G wasn't happy with Reovo Money's response and brought the complaint to this service. I issued a provisional decision on 17 November 2025 indicating my intention to uphold the complaint. Reovo Money said it had no comments on the provisional decision. Miss G didn't agree with all my findings, particularly in relation to the default. She thought that, as the lending was irresponsible, the default should be removed because she shouldn't have had the funds in the first place.

I've carefully considered Miss G's comments and thought about everything again in order to make a final decision about the complaint.

### **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'm grateful to Miss G for her response to the provisional decision. She has been through a very difficult time and I have great sympathy for her situation, so I'm sorry to disappoint her. But I haven't changed my mind about what I think is the fair outcome to this complaint. So I'm going to uphold it in the way I indicated in my provisional decision. My reasons are set out below.

#### *The lending decision*

When Miss G applied for the loan, Reovo Money needed to carry out reasonable and proportionate checks to satisfy itself that she would be able to repay the loan in a sustainable way. There isn't a set list of checks which it had to make. But the checks needed to be proportionate, taking into account factors such as the size of the loan, the duration of the loan and the total cost of the loan, as well as Miss G's personal circumstances.

Reovo Money did carry out checks to assess the affordability of the loan. It used information from Miss G's credit file to assess her credit commitments, data from the Office of National Statistics to confirm her general spending and information from a credit reference agency to help with its affordability assessment. It then carried out calculations to assess affordability on the basis of the information obtained. These looked at various factors including Miss G's disposable income after making monthly repayments for the loan.

I think these checks were a reasonable starting point and in some cases they would have been sufficient. But, here, I think Reovo Money ought to have sought more information before deciding to lend. That's because, based on the credit data Reovo Money used, I'm not satisfied that its calculation of Miss G's monthly credit repayments reflected her actual monthly commitments. I think the information suggested a higher monthly spend on credit than Reovo Money used in its assessment.

In any event, in light of the loan term and the overall cost of the loan, I think it would have been reasonable and proportionate for Reovo Money to obtain more information to gain a

more thorough understanding of Miss G's financial circumstances before agreeing to lend. I think it should have carried out more checks to verify the information it had obtained, for example by looking at Miss G's payslips or bank statements.

If Reovo Money had looked at this information it would have seen that, in two of the three months prior to the loan application, Miss G's monthly income was less than the income required by its own affordability assessment. Her bank statements also show that her account was regularly overdrawn. And they indicate that her monthly commitments were greater than the figure Reovo Money was using following its credit check.

I think this information shows that Miss G was unlikely to be able to sustainably repay the loan. And so, if Reovo Money had carried out these reasonable and proportionate checks, I think it ought to have concluded that the lending wasn't affordable. Therefore, I don't think Reovo Money should have approved the loan.

Miss G has had the use of the loan monies and accepts that she should repay them, which I think is fair. But she shouldn't have to pay back any more than what she borrowed. So, Reovo Money should refund all the interest, fees and charges it has applied to her account.

If these adjustments mean that the balance is cleared, then any additional funds should be treated as overpayments and refunded to Miss G with interest. In this situation, Reovo Money should remove any adverse information from Miss G's credit file.

But, as far as I am aware, there will still be an outstanding balance once the adjustments have been made. I think it's fair that Miss G should continue to repay this, which she accepts. I don't think Reovo Money needs to amend Miss G's credit file in this situation. Miss G doesn't think that's fair, and I can understand her point of view. Usually, I would expect a business to put its customer in the position they would be in if no error had taken place. But, here, Miss G received the loan monies some time ago and has used them. The situation has moved on significantly and it's not possible to simply undo what's happened. So I've got to decide what would be a fair and reasonable approach in the circumstances.

If Miss G has a balance which she's expected to pay, I think it's fair for this to be reflected on her credit file so that future lenders can take into account what she already owes when deciding whether to lend. I don't know how long it will take for the balance to be repaid or what might happen between now and then. But even if Reovo Money were to remove the default now, it could re-record one if Miss G were to fall behind with payments again. And that could lead to a default appearing on her credit file for longer. On balance, I don't think Reovo Money needs to amend Miss G's credit file if there is still an outstanding balance once it has removed the interest, fees and charges from her account.

### *Financial difficulties*

I'll now consider whether Reovo Money treated Miss G fairly in relation to her financial difficulties.

The evidence I've seen shows that Miss G was in email contact with Reovo Money from July 2024 about a missed payment on her account. I find that Reovo Money was generally responsive to the emails until around January this year.

Miss G said that she had lost a significant amount of pay and was spending a lot of time away from work. She explained the distressing personal circumstances which meant it was difficult for her to contact Reovo Money or make the payment. But her emails said that she would make the payment, resume all future payments as normal and bring the account up to date. So I don't think Reovo Money had reason to think that Miss G was suffering financial

hardship until January, when she completed an income and expenditure form which showed a deficit. Her letter of 30 January also made it clear that she was struggling financially.

I find that Reevo Money applied two periods of breathing space to Miss G's account; one in September 2024 and the other in January 2025. I think that was fair, although I don't think it should have continued to charge interest during these periods. However, as I'm going to direct Reevo Money to refund all the interest which it applied, any breathing space interest will be dealt with as part of that.

Reevo Money says it didn't receive Miss G's detailed letter of 30 January until late March. But it was aware at the time that she had sent a letter because it was sent as an email attachment at the beginning of February and Reevo Money responded a few days later. It said it couldn't view the attachment and asked her to re-send it. Miss G attached it again a few days later and said she had also sent a copy to the head office. Reevo Money didn't respond to that email and I don't think that was reasonable. If it couldn't view the attachment, I think it should have contacted Miss G again, particularly in light of the status of her account.

I think that Reevo Money was entitled to default Miss G's account. It had been in arrears for several months and Reevo Money had sent Miss G a default notice which had expired. There was no repayment plan in place and I think Reevo Money's assessment that a plan wouldn't be affordable (and therefore couldn't be set up) was correct based on the income and expenditure information. Miss G said herself that she could not realistically maintain payments of any kind and that her situation was very unlikely to improve soon. In these circumstances, I think it was reasonable for Reevo Money to default the account.

However, Reevo Money told Miss G in February that her account was on hold for 30 days and that it would conduct a review at the end of that period, aiming to agree an affordable solution with her to clear the outstanding arrears. It had already seen and commented on the income and expenditure form by this stage. Understandably, this would have given Miss G the expectation that Reevo Money would contact her before any further action was taken. But, from the information I've seen, the next thing that happened was that Reevo Money terminated Miss G's agreement. I think that Reevo Money would have defaulted the account at that point even if it had spoken to Miss G. But I don't think it was reasonable for it not to communicate with her first when it had given her the impression it would do so. I think it's understandable that this added to her distress.

Overall, I think Reevo Money's communications with Miss G should have been better. It accepts that it could have supported her better and its service fell short. I think Miss G's account would still have taken the same course even if Reevo Money's service had been better. But the stress relating to the account may have been reduced to some extent. Miss G feels strongly that she was treated very poorly and that Reevo Money didn't take her circumstances into account, so I realise she will be disappointed by my findings on this. But, from the evidence I've seen, I think Reevo Money's payment of £75 is enough to reflect the impact of the service mistakes it made in the handling of her account. So I'm not going to ask it to do any more in relation to those.

## **My final decision**

For the reasons above, I uphold this complaint and make the following directions:

- Amplifi Capital (U.K.) Limited trading as Reevo Money should rework Miss G's account to remove all the interest, fees and charges which were ever applied;

AND

- if there is still a balance outstanding after this reworking, then Amplifi Capital (U.K.) Limited trading as Reevo Money should arrange an affordable and suitable payment plan with Miss G;

OR

- if the effect of this reworking is that there is no longer an outstanding balance, any additional funds should be treated as overpayments and refunded to Miss G together with simple interest at 8% a year from the date of the overpayment until the date of settlement\*. If there is no longer an outstanding balance once the account has been reworked, Amplifi Capital (U.K.) Limited trading as Reevo Money should remove any adverse information from Miss G's credit file.
- If a debt collection agency is still managing Miss G's account, then Amplifi Capital (U.K.) Limited trading as Reevo Money should liaise with that agency to ensure that this redress is carried out promptly and correctly.

\*If Amplifi Capital (U.K.) Limited trading as Reevo Money considers that it's required by HM Revenue & Customs to deduct income tax from this interest, it should tell Miss G how much it's taken off. It should also give Miss G a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 30 December 2025.

Katy Kidd  
**Ombudsman**