

The complaint

Miss D is unhappy that Salary Finance Limited ("SFL") took a payment after she paid a loan settlement figure and which she didn't authorise SFL to take.

What happened

On 8 May 2025, Miss D requested a loan settlement figure from SFL. A letter was issued to Miss D by SFL which explained that the settlement figure would be £12,200.42 which needed to be paid by 5 June. The letter also explained that the loan payment of £370.23 scheduled for 30 May would also be taken.

Miss D paid the £12,200.42 loan settlement payment on 14 May. The next day, she contacted SFL and said that now that the loan was settled she didn't authorise them to take the upcoming 30 May payment. However, SFL proceeded to take that payment on 30 May. Miss D wasn't happy about this, so she raised a complaint.

SFL responded to Miss D but didn't feel that they'd done anything wrong by taking the 30 May payment. Miss D didn't agree, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel SFL had acted unfairly towards Miss D and didn't uphold the complaint. Miss D remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Miss D has provided several detailed submissions to this service regarding her complaint. I'd like to thank Miss D for these submissions, and I hope that she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Miss D notes that I haven't addressed a specific point she's raised, it shouldn't be taken from this that I haven't considered that point. I can confirm that I've read and considered all the submissions provided by both Miss D and SFL. Accordingly, I confirm that if Miss D notes that I haven't responded to a specific point that she's raised, I have considered that point but I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint

Miss D is unhappy that SFL took the 30 May payment after she paid the stated settlement figure of £12,200.42. However, it's clear that the £12,200.42 figure was calculated on the basis that the 30 May payment would be taken. I say this because the settlement letter states as follows:

"The Settlement Amount [£12,200.42] is the total amount you need to repay to pay off your loan under the Agreement. The Settlement Amount shown is valid until the Settlement Date [5 June 2025].

This amount includes interest calculated up until the Settlement Date (and assumes any regular repayments prior to the Settlement Date are made on time).

If you pay earlier than the Settlement Date, you will still be required to pay the full Settlement Amount stated in this statement"

The settlement letter was generated on 8 May, which meant that the payment scheduled for 30 May was within 28 days of that letter. Indeed, the letter specifically confirms that the scheduled payment of £370.23 due on 30 May will be taken as part of the loan settlement, and the £12,200.42 settlement figure was calculated on the understanding that the 30 May payment would be taken.

As such, I'm satisfied that SFL haven't taken an additional payment after Miss D paid the settlement, as she feels is the case, but that the 30 May payment was included as a part of the overall loan settlement, along with the £12,200.42 settlement figure that was calculated with the taking of the 30 May payment in mind.

Miss D may argue that she paid the settlement figure early, on 14 May, and so should have an interest reduction on that basis. However, loan settlements don't generally work that way, and didn't in this specific instance. How the settlement worked was that it was calculated with interest to 5 June, and so long as Miss D made the settlement payment by 5 June, the actual date that Miss D made the payment was irrelevant - interest up to 5 June would always be due. This is explained by the final part of the settlement letter quoted above.

Miss D has said that the settlement letter was misleading, especially a sentence which explained that if SFL had already processed the next salary deduction before the settlement amount was received by them, they wouldn't be able to stop that upcoming payment from being processed.

However, the sentence that Miss D refers to is towards the end of the letter, after the sections quoted above, and is preceded by an explanation that if Miss D wanted to add the £370.23 that was due on 30 May to the £12,200.42 settlement figure, for a total payment of £12,570.65, she could do so, but that if she made that larger payment after SFL had processed the £370.23 payment due on 30 May, that payment could not be stopped and would be taken as well. However, Miss D did not make the larger payment, and so this is a moot point.

Miss D has also said that she didn't authorise the 30 May payment, and specifically told SFL not to take it. But Miss D had authorised that payment, when agreeing to the payment schedule when she accepted the loan. And because, as explained, the settlement that Miss D complied with when she made the £12,200.42 payment included that the 30 May payment would also be taken, I'm satisfied that it wasn't the case that Miss D could instruct SFL to not take that payment and that SFL haven't therefore acted unfairly by taking that payment.

All of which means that I won't be upholding this complaint or instructing SFL to take any form of action. This is because I feel that SFL clearly explained that the settlement figure they presented to Miss D was inclusive of and dependent upon the 30 May payment being taken. And I also feel that any dissatisfaction Miss D may have about this matter is the result of an incorrect understanding of the settlement on her part, rather than because of any unfair action on the part of SFL. I hope Miss D will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 3 February 2026.

Paul Cooper
Ombudsman