

The complaint

Mr A complains PDL Finance Limited trading as Mr Lender (“Mr Lender”) hasn’t provided a breakdown of how much he owes following him raising a discrepancy with the balance.

Mr A says that Mr Lender is double reporting the record on his credit file.

What happened

The problems Mr A has had, stem from an instalment loan of £400 granted in May 2023. Mr A was due to pay six decreasing instalments each month starting in June 2023 for £169.06 and finishing in November 2023 with a payment of £82.57. If Mr A had made his payments as contracted, he would’ve repaid Mr Lender a total of £780.85.

Based on the statement of account provided by Mr Lender, Mr A made his first payment as expected in June 2023 and then from October 2023 Mr A had made a number of repayments through at least two separate repayment plans. An outstanding balance still remains due.

Mr Lender didn’t uphold Mr A’s complaint and it provided a timeline of events, said the balance was accurate and it explained the report lag that can occur with the credit reference agency and it was satisfied the total cost that it has asked Mr A to repay is in line with the cost cap. Unhappy with this Mr A referred the complaint to the Financial Ombudsman.

An Investigator reviewed the complaint and said Mr Lender hadn’t made an error. The Investigator said the credit agreement allowed Mr Lender to charge further interest and fees if payments were late and she was satisfied that Mr Lender had correctly stopped applying interest from October 2023. However, Mr Lender didn’t receive any payments from Mr A from December 2024 so it appeared Mr Lender had reinstated interest. However, the complaint wasn’t upheld.

Mr A didn’t agree with the outcome and I’ve summarised his response below;

- Mr A says the copy of the credit agreement that he has doesn’t allow Mr Lender to increase the balance when payments aren’t made.
- He also provided a screen shot from his bank statements showing payments being made to Mr Lender in November 2024 as well as January and February 2025. And as a result, it was unfair for interest to be reapplied during this time.
- Mr A says Mr Lender should pay him £500 compensation.

Mr A’s comments didn’t change the Investigator’s mind about the complaint and as no agreement has been reached, the case has been passed to me for a 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.

Cost cap and interest freeze

I will first deal with the interest on the agreement and the cost cap. As I've set out above, had Mr A repaid the agreement in line with the credit agreement he would've repaid a total of £780.85.

From January 2015, the industry regulator introduced a cost cap that meant – among other things that in total Mr Lender couldn't collect more than 100% of the amount borrowed in interest fees and charges. In the circumstances of this case, Mr Lender would've been limited to collecting at most £800 from Mr A.

Given the cost of the loan as set out in the credit agreement, Mr Lender was therefore entitled to only charge a total of £19.15 in additional fees and charges throughout the lifetime of the agreement. Importantly, the credit agreement which Mr Lender has provided allowed it to do that. The agreement says;

“The interest you will pay is calculated at the daily rate shown above on the amount of the Loan actually outstanding each day. This means that if there is any delay in payment an instalment, you will pay more interest, which means the total cost of the Loan will be more than the shown above, subject to the cost cap set out below.”

Having looked at the statements of account, I can see that only Mr A's first payment was made as expected. So, when the July 2023 payment wasn't made Mr Lender was, under the terms of the credit agreement, entitled to charge further interest and I can see the additional interest payment being added to the account on 3 August 2023.

However, Mr Lender has explained that due to the cost of the loan and the additional interest the loan reached the cost cap of £800 in October 2023 – and so since then no further interest, fees or charges have been applied.

I think there may have been some confusion caused by the Investigator because the statement of account provided by Mr Lender does show further interest being added – but that is immediately corrected because Mr Lender is aware that in total it can't collect more than £800 from Mr A.

As such I am satisfied that firstly Mr Lender hasn't charged any interest since October 2023 and it was, under the terms of the credit agreement allowed to charge additional interest when payments were late or missed – as they were here.

Mr A has said this term isn't in the copy of the credit agreement he has but he hasn't provided me with a copy of the version in his possession. And as such I think it's entirely fair to rely on the version provided by Mr Lender when it has an electronic signature on it which matches the date the loan was advanced.

Mr Lender says that by 3 October 2023 – when the account reached the cost cap – Mr A still owed it £610.94 – which is backed up by the statement of account. Since then Mr A has according to Mr Lender paid £327.72 leaving a balance of £283.22 to pay – which does appear to be the outstanding balance by December 2025. Which further supports the amount of interest charged to the agreement has been limited by the cost cap.

It isn't entirely clear to me why Mr Lender hasn't provided a copy statement to Mr A and so, if Mr A still wishes to see a list of the transactions he's made he should approach Mr Lender who ought to provide it to him.

Missing payments

Mr A has provided a screen shot of his payments which he has made to Mr Lender and this does show payments in November 2024 and then January and February 2025. However, based on the statement of account that was provided by Mr Lender the payment Mr A made in January 2025 was missing.

Given, the other payments were visible in the statement, I contacted Mr Lender to find out what had happened with the January 2025 payment. Mr Lender has explained that the January 2025 payment wasn't credited to the account until 2 May 2025 and I've been able to reconcile this with the records that have been provided.

However, while it took some months for the payment to be credited to the account there hasn't been any financial loss suffered by Mr A because Mr Lender has been prevented from charging any further interest, fees or charges from October 2023 due to the cost cap.

While the statement of account provided by Mr Lender does initially appear to show interest re-starting as a result of the missed payment – this interest was immediately refunded to the account due to the cost cap. So again, I'm satisfied that the missing payment didn't lead to Mr Lender charging Mr A more interest than it ought to have done

Duplicate credit file entry

Mr A says that Mr Lender has duplicated this record on his credit file. However, Mr A hasn't provided a copy of his credit file, so I don't know whether Mr Lender is or isn't reporting a duplicate record.

Mr Lender has maintained from the final response letter that it is reporting accurate information on Mr A's credit file and no evidence has been provided to counter this point I can only conclude Mr Lender is reporting accurate information about the loan account.

Overall, I'm satisfied that Mr Lender hasn't made an error that would fairly warrant a payment of £500. It applied any additional interest in line with the credit agreement and the cost cap.

My final decision

For the reasons given above, I am not upholding Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 May 2026.

Robert Walker
Ombudsman