

## **The complaint**

Miss M complains that Loans 2 Go Limited trading as Loans 2 Go acted irresponsibly by providing her with a loan and then harassed her about her repayments after she had explained her situation and her account had been given breathing space.

## **What happened**

Miss M was provided with a £1,000 loan by Loans 2 Go in May 2025. She raised a complaint with Loans 2 Go about the service she had received and the affordability of the loan. Loans 2 Go issued a final response to Miss M's complaint dated 5 November 2025. It upheld Miss M's complaint about the affordability of the loan and rewrote off all interest, said any negative information would be removed from Miss M's credit file and asked her to complete an income and expenditure form so that a repayment arrangement could be set up. Loans 2 Go didn't accept that it had done anything wrong in regard to the service provided. It said that the correspondence that had been sent was system generated or required due to statutory requirements.

Miss M referred her complaint to this service.

Our investigator noted that Loans 2 Go had upheld Miss M's complaint about the affordability of the loan and found the redress offered was in line with what we would expect. He was satisfied that the fair outcome was for Loans 2 Go to take the action it had offered and for Miss M to be required to repay the amount she borrowed. He explained that as there was still an outstanding balance on the account, statutory interest wasn't applicable in this case.

In regard to the service issues Miss M experienced while her account was in breathing space, our investigator found that Loans 2 Go had continued to make contact with Miss M when she had made it clear she didn't want this and was struggling with her mental health. He thought Loans 2 Go's contact likely caused unnecessary distress for Miss M and recommended that Loans 2 Go pay her £100 for the distress and inconvenience caused.

Loans 2 Go didn't agree with our investigator's view. It noted that breathing space didn't change Miss M's contractual obligations and so it was entitled to attempt payments. It said it didn't attempt to enforce the loan during the period of breathing space and that it received communication from Miss M which it was required to respond to. It also noted that it sent correspondence that it was required to do under the legislation.

Miss M asked that a write off of her loan be considered.

Our investigator responded to Loans 2 Go's and Miss M's comments but as his conclusion didn't change, and a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue 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.

I am sorry to hear of the difficult time Miss M is experiencing and I note our investigator offered to provide contact details of organisations that might be able to provide support. I encourage her to make contact if she feels this would be helpful.

There are two parts to this complaint, one about the affordability of the loan and the second about the level of contact from Loans 2 Go when Miss M's account went into breathing space. As Loans 2 Go accepted that it could have done more checks to assess the affordability of the loan and upheld this part of Miss M's complaint, I have accepted this outcome. I have reviewed the information provided regarding the loan and considered Loans 2 Go's offer of redress and, in this case, I find this fair. Miss M has asked about the loan being written off, but as she had the use of the money she borrowed, I think it right she is required to repay this. Loans 2 Go has said all interest will be removed and Miss M is only liable to repay the capital borrowed. It has also said that any negative information will be removed from Miss M's credit file. I find this a fair outcome to this part of Miss M's complaint.

The outstanding issue is whether the contact Loans 2 Go had with Miss M when her account entered breathing space was reasonable. Miss M's account entered breathing space on 4 June 2025 for two months. During this time Loans 2 Go had to cease any enforcement action against Miss M. I cannot see that any enforcement action was taken during this period.

Miss M contacted Loans 2 Go on 19 June 2025, about it attempting to take a payment which she didn't think should happen while her account was in breathing space. It appears that there was a misunderstanding as the breathing space didn't stop Loans 2 Go being allowed to take payments. Loans 2 Go explained this to Miss M on 20 June 2025 and asked Miss M to get in touch if she wanted to discuss her repayments and suggested she complete an income and expenditure form. Miss M responded on 26 June explaining she was signed off from work due to her mental health and was in financial difficulty. She reiterated that she didn't think payments should be taken while she was in breathing space. Loans 2 Go responded saying that to stop payments it would require an affordability assessment to be completed. Miss M responded saying that she was no longer handling her debts and these were with her case worker and so she wouldn't be completing any forms.

While I accept that Loans 2 Go needed to respond to Miss M's initial communication to explain the purpose of breathing space, I think given the information Miss M provided about her mental health and that she had passed her accounts to a case worker, Loans 2 Go should have placed a communication hold on her account until the breathing space was finished. While statutory communications would still need to be sent, I think that Loans 2 Go didn't need to make any further contact with Miss M at that time. I also note that following the breathing space ending Miss M was contacted about an income and expenditure form and repayments even though this had been submitted by her case worker and token payments agreed.

Overall, I do not think that Loans 2 Go took Miss M's vulnerable situation fully into account when it was contacting her after she had made it clear this was causing her distress. I think its contact caused Miss M unnecessary stress at a time when she was already struggling. Given this I agree with our investigator's recommendation of £100 compensation.

### **Putting things right**

Loans 2 Go should pay Miss M £100 for the distress and inconvenience its contact caused. This is additional to the redress it had already offered in its final response letter regarding the affordability part of Miss M's complaint.

**My final decision**

My final decision is that Loans 2 Go Limited trading as Loans 2 Go should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 10 April 2026.

Jane Archer  
**Ombudsman**