

The complaint

Mr L complains that Salary Finance Limited, trading as Salary Finance, treated him unfairly when requesting further repayments towards his loan, after he had paid the settlement amount.

What happened

Mr L took out a loan for £10,000 from Salary Finance in July 2025. Monthly repayments of around £308 were required for 60 months.

In early August 2025, Mr L requested a settlement figure. Salary Finance wrote to him with a figure of £10,130.88 and Mr L paid that amount within a few days.

Salary Finance subsequently took a payment of around £118 from Mr L and advised him that a further £190 remained payable.

Mr L complained as he felt he had paid the settlement figure, but Salary Finance pointed out that its letter stated that his usual monthly payment would still be due for August 2025.

An investigator reviewed the merits of Mr L's complaint, but didn't think Salary Finance had done anything wrong.

Mr L disagreed, so asked for an ombudsman 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.

Having done so, I'm not upholding this complaint. I know this will disappoint Mr L, so I'll explain why.

The evidence shows that when Salary Finance provided the settlement figure of £10,130.88, the letter was clear that this was the amount due to settle the loan on 30 August 2025. The letter also includes the following:

“Because you have one or more regular repayment date(s) on or before the Settlement Date, we will take the following payment(s) as normal in accordance with your Agreement: 27 Aug 2025 | £307.86”

The letter also explains that Mr L could pay the regular payment and the settlement figure in a single lump sum, if he so chose.

This means that when creating the settlement figure, Salary Finance had taken into account the regular payment it expected to receive that month. It follows, that if only the settlement figure is paid, there would be a balance outstanding.

Despite this, Salary Finance only took a repayment of around £118 on 27 August 2025, when as noted above, £307.86 was due.

Salary Finance have explained that this wasn't an error, but is due to the way it processes early repayments. I understand why this caused further confusion for Mr L as this isn't clearly explained in any evidence that I've seen.

However, Mr L hasn't suffered any loss from this as Salary Finance took a smaller amount than it was entitled to, so whilst I do agree that this could have been clearer, it remains the case that a balance of around £190 was outstanding.

Salary Finance have told Mr L that when it receives payment of that balance, it will remove any additional interest that has been accrued. I think that is fair under the circumstances.

Overall, I don't consider Salary Finance misinformed Mr L or otherwise treated him unfairly.

My final decision

My final decision is that I'm not upholding Mr L's complaint against Salary Finance Limited, trading as Salary Finance, for the reasons outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 May 2026.

David Barker
Ombudsman