

The complaint

Mr I complains that Prodigy Finance Ltd approved his loan and subsequently withdrew his loan without telling him.

What happened

On 16 April 2025 Mr I applied for a loan with Prodigy Finance to finance his studies at university. On 6 May 2025 Prodigy Finance sent two emails to Mr I. The first email confirmed that Mr I's documentation had been reviewed successfully. The second email confirmed that the loan was being matched to available funds, and that once funding had been matched, Mr I would need to advise Prodigy Finance of his next steps.

Mr I emailed Prodigy Finance on 4 June 2025 requesting an update on the matching of funds to his application. Prodigy Finance replied on 6 June 2025 and advised that the application had been matched with funding but that there was a fee of \$500 USD to secure the funding. Mr I paid the fee and it was processed on 9 June 2025.

On 13 June 2025 Prodigy Finance issued Mr I with pre-contract information for the loan, which required Mr I to read and accept the terms of the loan agreement.

Prodigy Finance didn't hear back from Mr I. On 11 July 2025 the loan was placed into withdrawn status due to lack of engagement.

On 30 July 2025 the UK Visas and Immigration Office (UKVI) contacted Prodigy Finance regarding Mr I's application. Prodigy Finance advised UKVI that the application had been withdrawn due to inactivity and absence of a signed agreement.

Mr I's university course started on 1 September 2025. On 5 September 2025 Mr I contacted Prodigy Finance to query the status of his loan. Prodigy Finance explained that the application had been withdrawn due to inactivity and his failure to complete the required steps. Prodigy Finance said it would require evidence of a valid visa in order to reinstate the application.

Mr I complained to Prodigy Finance. He said he thought the funds had been secured once he'd paid the USD 500 processing fee. Mr I said he'd relied on the loan approval letter he'd received from Prodigy Finance to proceed with his UK visa application and hadn't realised that his loan had been withdrawn without notice to him. Mr I said that the withdrawal of the loan had caused his visa to be refused on financial grounds even though he had completed all the required steps and was waiting to sign the loan agreement upon arrival in the UK. Mr I said that the withdrawal of the loan had left him facing financial loss and disruption to his study plans.

Prodigy Finance issued a final response on 13 November 2025. It apologised for the disruption and frustration that the situation had caused and said it appreciated that the communication he received when the loan was withdrawn may not have met his expectations. Prodigy Finance said it would refund the 500 USD processing fee and offered 100 USD to compensate Mr I for the inconvenience caused.

Mr I remained unhappy and brought his complaint to this service. He said the resolution offered by Prodigy Finance wasn't sufficient given the level of his financial loss, the loss of an academic year and the distress caused.

Our investigator didn't uphold the complaint. They said that Prodigy Finance had issued Mr I with the pre-contract information for the loan on 13 June 2025 which required him to read and accept the terms of the loan being offered. The investigator said that as no contact was received from Mr I they were satisfied that Prodigy Finance had acted fairly by withdrawing the loan.

Mr I didn't agree. He said it was incorrect to state that he hadn't accepted the terms of the loan. He said he'd received the pre contract information on his Prodigy Finance dashboard where he had read, accepted and downloaded the document. Mr I said he wouldn't have been able to download the document unless he'd completed the acceptance step. Mr I said the investigator had failed to consider the engagement he'd had with Prodigy Finance through the dashboard. Mr I said he'd paid the 500 USD fee, received confirmation that his documents were approved and had been advised that his loan had been matched with funding. He said he'd been given a defined date of 17 September 2025 to sign the loan agreement upon arrival in the UK. Mr I said that as far as he was concerned the only remaining step was to sign the loan agreement on arrival, and that in the circumstances the withdrawal of the loan without warning was unfair.

Because Mr I didn't agree I've been asked to review 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 know it will disappoint Mr I but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most reliant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

It's not in dispute that Mr I's loan application was matched with funding and that he paid a 500 USD processing fee. It's not in dispute that on 9 June 2025 Prodigy Finance issued a loan confirmation letter.

Prodigy Finance has stated that it issued Mr I with pre-contract information on 13 June 2025. It has stated that in accordance with its internal timelines it expects customers to complete signing of the pre contract documentation within 14 days of receiving it. Prodigy Finance has stated that Mr I didn't open or read the pre contact information and that because of Mr I's failure to complete the required steps the loan application was placed into withdrawn status.

Mr I has stated that the pre contract information was made available to him via the Prodigy Finance dashboard. He says he read, accepted and downloaded the document, and disputed Prodigy Finances assertion that he hadn't completed the required steps to accept the pre contract information.

I've reviewed the information provided by both parties. Prodigy Finance has provided all of its email communications with Mr I from the date of his application (16 April 2025) to the date when it notified UKVI that the application had been withdrawn (30 July 2025). Prodigy Finance also provided details of all contact notes between itself and Mr I and screenshots

from its portal.

Mr I has provided a copy of the pre contract credit information. He asserts that he would be unable to provide this unless he had completed the acceptance step on the dashboard.

Having reviewed the information provided by Prodigy Finance, and whilst I can see that the pre contract information was made available to Mr I on 13 June 2025, I can't see that Mr I marked the pre contract information as read to confirm that he had reviewed it and accepted the terms. This service asked Mr I to provide any further evidence he held to show that he completed the required actions, but he's said that following the withdrawal of the loan he no longer has access to his dashboard activity.

Based on the information available to me, I haven't seen anything which confirms that Mr I read and accepted the pre contract information. I appreciate that Mr I has provided a copy of the pre contract information, which he says he wouldn't be able to do unless he'd accepted it. However, the information available to me suggests that the pre contract information was made available in digital format to Mr I. It seems likely that it could've been downloaded whether or not Mr I had completed the steps required of it (reading the documents and marking the box to confirm acceptance).

I've reviewed the screenshots from Prodigy Finance's dashboard system. These show that Mr I accessed the pre contract information but didn't complete it.

Based on the information I've seen, and whilst acknowledging Mr I's disappointment and frustration, there isn't enough evidence for me to safely conclude that Mr I did everything required of him. So I can't say that Prodigy Finance acted unfairly or unreasonably by withdrawing the loan.

I agree with the investigator that Prodigy Finance could've handled things differently by communicating with Mr I before withdrawing the loan – or at least communicating the withdrawal of the loan at the date it was withdrawn, which may have given Mr I more time to resolve things before the start of his course. I'm aware that Prodigy Finance has offered 100 USD compensation to Mr I, which he hasn't accepted. I think the sum offered is fair and I would expect Prodigy Finance to honour the offer should Mr I choose to accept it.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 22 May 2026.

Emma Davy
Ombudsman