

The complaint

Madison CF UK Limited, trading as 118 118 Money, provided Mr W with the following two loans.

	Date opened	Amount	Monthly repayments	Term (months)
Loan one	June 2020	£1,000	£100.75	12
Loan two	July 2025	£1,500	£170.43	12

Mr W says the loans were provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them here, other than to clarify that 118 118 Money has subsequently made an offer to uphold loan two.

The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr W's case.

I've decided that loan one was provided fairly because:

- I think the checks 118 118 Money did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Mr W's financial situation.
- 118 118 Money's checks showed Mr W had a net monthly income of just over £2,000. It used information supplied by a credit reference agency (CRA) and internal modelling to perform an affordability assessment.
- The CRA report identified some historic defaults, from around five years prior to the loan application. 118 118 Money's assessment showed it that Mr W had sufficient disposable income remaining, after all committed expenditure and other general living expenses.
- I've reviewed the evidence and completed my own affordability assessment. Having done so I am comfortable that 118 118 Money took a reasonable approach. It used verified figures where available, and reasonably calculated figures where they weren't.
- Based on the information 118 118 Money gathered and what it knew about Mr W's circumstances, there was nothing to suggest Mr W was likely to be unable to sustainably make the repayments.

This means I don't think 118 118 Money did anything wrong when it provided loan one to Mr W.

118 118 Money have, upon review, offered to remove all fees and charges with regards to loan two, as it doesn't feel it should have supplied the loan. This approach is in line with our standard approach for upheld complaints regarding irresponsible lending.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, I'm satisfied the redress set out below, results in fair compensation for Mr W in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

I know this isn't the outcome Mr W hoped for. But for the reasons above, I'm not asking 118 118 Money to do anything with regards to loan one, but I am upholding this complaint with regards to loan two.

Putting things right

As I don't think 118 118 Money ought to have provided loan two, I don't think it's fair for it to be able to charge any interest or charges under the credit agreement. But I think Mr W should pay back the amounts he has borrowed.

Therefore, for loan two, Madison CF UK Limited, trading as 118 118 Money should:

- Add up the total repayments Mr W has made and deduct these from the total amount of money he received.
 - If this results in Mr W having paid more than he has received, any overpayments should be refunded along with 8% simple interest per year* (calculated from the date the overpayments were made until the date of settlement).

118 118 Money should also remove all adverse information regarding this account from Mr W's credit file.

- Or, if any capital balance remains outstanding, then 118 118 Money should arrange an affordable and suitable payment plan with Mr W.

Once Mr W has cleared the balance, any adverse information in relation to the account should be removed from his credit file.

*HM Revenue & Customs requires 118 118 Money to take off tax from this interest. 118 118 Money must give Mr W a certificate showing how much tax it's taken off if he asks for one.

My final decision

My final decision is that I'm upholding Mr W's complaint about Madison CF UK Limited, trading as 118 118 Money.

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

David Barker
Ombudsman