

## **The complaint**

Mr B complains that Everyday Lending Limited trading as Evlo acted unfairly when he exercised his right to withdraw from his loan agreement.

## **What happened**

Mr B entered into a fixed loan agreement with Evlo on 16 April 2024, the loan was for £5,000 with 24 monthly instalments of £298.89.

On 30 April 2024, Mr B emailed Evlo to say he was exercising his right to withdraw from the agreement. On 16 May 2024, Evlo reached out to Mr B to ask him about payments towards the loan. Mr B said he had until the end of May to make the repayment, and he was waiting for his monthly income. Evlo reached out to Mr B again on 30 May 2024 because it didn't receive any payment towards the loan. Mr B again said he couldn't make any payments.

At the time this complaint came to this service, Mr B hadn't made any payments towards the loan or repaid the capital he borrowed. Evlo recorded the loan as being in arrears and entered a default on Mr B's credit file.

Mr B complained to Evlo about how it handled his request to withdraw from the loan. Mr B said the loan shouldn't have been recorded as being in arrears as he withdrew within 14 days of taking out the loan. Mr B also says even though he didn't repay the loan within 30 days in line with the terms of his agreement, Evlo shouldn't have added interest to his loan.

Evlo didn't uphold any part of Mr B's complaint. It said Mr B notified it he wanted to withdraw from the agreement but didn't repay the funds. It said this meant interest was correctly applied to the loan in line with the agreement. Evlo said as Mr B hadn't made repayments, his account went into arrears, and this has been correctly done.

Unhappy with the response, Mr B referred his complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. Our investigator concluded that Evlo was right to add interest to the capital as Mr B didn't repay what he borrowed and that Evlo correctly recorded adverse information about the loan on Mr B's credit file. However, our investigator thought Evlo could have been clearer with Mr B about interest being added in line with the terms of the loan agreement. Our investigator asked Evlo to pay Mr B £75 for the trouble and upset this caused.

Neither party agreed with the investigator's conclusion. Evlo said the terms and conditions were clear and Mr B was aware that interest would be added when he didn't repay within the withdrawal window. Mr B said interest shouldn't be added and Evlo has caused damage to his credit file with the negative information it recorded.

## **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've also considered the law, any relevant regulatory rules and good industry practice at the time of the event complained about.

I'd like to start by saying when Mr B completed the complaint form to our service, he stated that he wanted to complain about the original lending decision as he felt the loan was unaffordable from the outset. I'm mindful that wasn't included in his original complaint to Evlo and so that aspect of his complaint won't be considered in this decision and is being dealt with under a separate reference.

This decision only addresses Mr B's notification of withdrawal from the loan agreement and what happened as a result.

According to the terms of the loan, Mr B had 14 days after the start of his loan agreement to notify Evlo if he wished to withdraw from it. Mr B notified Evlo that he wished to withdraw from the agreement on 30 April 2024, which was within 14 days of the agreement being executed. Mr B then had a further 30 days – from 30 April 2024 – to repay the capital amount plus any interest that had accrued.

Mr B has said Evlo acted contrary to the provisions of s66A of the Consumer Credit Act ("CCA"). However, s66A (9) of the CCA states that if a person withdraws from an agreement, they need to repay any credit provided and any interest accrued at the rate provided for under the agreement. The amount of interest added to the balance was at the rate provided for under Mr B's agreement with Evlo. So, I don't agree that Evlo acted contrary to the provisions in s66A CCA. Furthermore, given s66A (10) refers to the amount payable under subsection 9, I don't think Mr B's interpretation of what he owes being a debt that Evlo is entitled to recover means that it isn't entitled to have added interest either.

Mr B is also unhappy about the Notice of Sums in Arrears letter (NOSIA) referring to payment dates. Mr B says the payment dates that have been quoted on the letter are dates within his 30-day withdrawal period so the account shouldn't have been showing as being in arrears at the time. While a copy of the NOSIA hasn't been provided, there's no dispute between the parties about what it says. I think this point is less relevant now as Mr B hasn't made any repayments and Evlo was right to record the account as being in arrears.

Nevertheless, I've addressed this point. When Mr B spoke to Evlo in May 2024, I can hear the adviser telling Mr B that the account was in arrears as the payment due date was 1 May 2024. I understand Mr B disputed this but that doesn't change the fact the payment wasn't made then or later and there was a missed payment for May. So, whether Evlo recorded the arrears for May 2024 within the 30 days doesn't matter as Mr B didn't make any payments then or later.

I've thought about Evlo's communication with Mr B and whether it could have been clearer. I think there has been some misunderstanding. Mr B seems to have interpreted his exercise of his right to withdraw to mean no interest will be added. I think Evlo should have been aware Mr B misunderstood the full impact of not repaying the loan within 30 days of withdrawing from the agreement. I think Mr B's communication suggests this wasn't clear to him.

I'm mindful that the agreement Mr B signed didn't expressly state that interest will be charged at the agreement rate if the withdrawal wasn't completed within 30 days of the notice, but I think there was an inference there. However, I think Evlo had opportunities during its interactions with Mr B to expressly tell him this, but it didn't. It could have done this on the call on 16 or 30 May and in response to Mr B's emails about him not being able to repay the capital. I think this created less clarity on the status of what Mr B had outstanding as he appeared to think he only had to repay the capital. I think it's fair Evlo pays Mr B £75 for the trouble and upset this lack of clarity caused.

In conclusion, Mr B didn't complete his withdrawal from the agreement. Mr B expressing his wish to withdraw without repaying the disbursed funds doesn't complete the process and provide the benefit of a completed withdrawal process. Evlo correctly applied interest to the loan, as Mr B didn't make payments towards what he'd borrowed, and the agreement wasn't entered into on an interest free basis. Evlo also correctly recorded arrears and later a default on Mr B's credit file as he didn't make any payments towards the loan.

I think Evlo had the opportunity to be clearer with Mr B about interest in line with the agreement accruing on the loan. This wasn't expressed in the terms and conditions or other communication with Mr B. I think this caused Mr B trouble as it didn't help his understanding of the status of the loan.

### **Putting things right**

Evlo should pay Mr B £75 for the trouble and upset caused by the lack of clarity.

### **My final decision**

For the reasons given above, I partly uphold Mr B's complaint and direct Everyday Lending Limited trading as Evlo to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 April 2026.

Oyetola Oduola  
**Ombudsman**