

complaint

Mrs W says Secure Trust Bank Plc gave her incorrect advice about how the interest would be applied to her loan. Had she understood the interest was frontloaded she wouldn't have gone ahead.

our initial conclusions

Our adjudicator didn't recommend this complaint should be upheld. She said that the loan agreement was clear that interest would be applied to the amount of credit at the outset. She didn't think the call recording showed the advisor had said anything different. Whilst he wasn't initially clear when explaining interest rebates for early settlement, no incorrect advice had been given. Mrs W disagreed, saying the bank hadn't provided clear information either in its paperwork or on the call.

my final decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Whilst I know this will be disappointing for Mrs W, I've reached the same conclusion as the adjudicator and for the same reasons.

I think the agreement is clear that the interest is applied to the amount of credit at the start of the loan (*Interest [...] is applied to the Amount of Credit at the outset to calculate the total interest due*) and this information is prominent. The call focuses on how early repayment works and how much interest has to be paid based on when the loan is repaid. I don't agree that the advisor gave incorrect information. He explained how early repayment and interest rebates work a number of different ways, but at no stage did he inaccurately describe how interest was applied to the loan. I think, unfortunately, Mrs W maybe didn't explicitly ask what she'd rung to clarify. Whilst she refers to frontloading of interest it's in the context of how much interest would be repaid on early settlement. So I can't conclude the bank gave misleading information.

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs W either to accept or reject my decision before 9 November 2015.

Rebecca Connelley

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.