

## **complaint**

Mr and Mrs D complain that CitiFinancial Europe plc ("Citi") did not tell them the total amount payable under their loan. They also complain that they were not responsibly advised.

## **background**

Mr and Mrs D took secured loans from Citi to consolidate existing unsecured debt. They are unhappy with the amount still left to pay despite the repayments they have made, and feel it was irresponsible to advise them to put their unsecured debts onto a secured loan basis. They were not advised verbally or in writing of the total amount which would be payable, and would not have gone ahead if they had been.

The adjudicator did not recommend that the complaint be upheld. He did not agree that Citi had supplied insufficient information about the total cost of the loan. And the loan achieved what Mr and Mrs D set out to achieve at a time of financial difficulty. Their monthly repayments were substantially reduced.

Mr and Mrs D did not accept the adjudicator's conclusions.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The loan agreement set out on the first page (a) the amount borrowed (b) the number of monthly repayments and (c) the amount of each monthly repayment. So the total amount payable was simply (b) multiplied by (c). I cannot therefore uphold the complaint that Citi failed to provide this information.

Mr and Mrs D compare unfavourably the total amount payable with the amount of the previously unsecured debts. But that ignores the interest which would have been payable on those debts, particularly the credit card debts, if they had not been paid off by the loan. I agree with the adjudicator that that interest would have been higher than the interest charged on the secured loan.

Mr and Mrs D's response to this point is that the unsecured lenders could have waived the interest payable on their debts as part of a debt management plan. But whether they would have agreed to do that is speculation and there is no evidence on which I can fairly make an award against Citi on the basis that that would have happened.

## **my final decision**

My decision is that I do not uphold this complaint.

Edward Callaghan  
**ombudsman**