

complaint

Mr A has complained that Loan Options Limited unfairly deducted a brokerage fee from his account.

background

On 17 June 2014, Loan Options deducted a brokerage fee of £67.76 from Mr A's bank account. He says it did so even though it never arranged a loan for him.

Our adjudicator recommended that the complaint should be upheld and the fee refunded. This was because she was satisfied that Loan Options hadn't arranged any finance for Mr A.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I agree with the adjudicator. As no loan was arranged, under section 155 of the Consumer Credit Act 1974, Loan Options isn't allowed to charge a full fee. In some circumstances, it may keep a £5 administration fee. But here, I have no evidence that Loan Options took any steps at all to find a loan for Mr A. Because of this, it should refund the entire fee, with interest.

my final decision

For the reasons given above, it's my final decision to uphold this complaint. I require Loan Options Limited to refund Mr A £67.76, adding 8% simple interest a year, from the date it was deducted to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 April 2016.

Elspeth Wood
ombudsman