

## complaint

Mr L has complained Retail Money Market Limited, trading as RateSetter, told him he'd be getting return of 6.1% on the £1,000 he was lending using their platform. He wants them to fulfil this requirement.

## background

Mr L used the RateSetter platform to lend some of his money. Using their website, he confirmed he was prepared to lend in the 5-year market at 6.1%. After registration Mr L was able to monitor and manage his investment using his online account.

He checked his account after agreeing to lend. Mr L didn't believe he was getting 6.1% so he raised this issue with RateSetter. They explained why there was a difference between the actual return rate and the contract rate. And they said the rate Mr L would get was based on an assumption of full reinvestment. However as he was unhappy they offered Mr L an opportunity to sell out of his contract and get his sell-out fees refunded. Mr L didn't take up this offer but brought his complaint to the ombudsman service. He particularly wanted RateSetter to be transparent about the rate investors will get.

Our adjudicator didn't believe there was enough evidence to show Mr L had been treated unfairly. He also explained why the service wasn't able to tell RateSetter to change its policies. Mr L didn't agree with this outcome. He's asked an ombudsman to review his complaint.

## my findings

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

I've reviewed the evidence that both Mr L and RateSetter have given to us. This includes the RateSetter lending order confirmation Mr L provided. I've also looked at reconstructed website pages. Mr L would have seen these when he decided to invest money in February 2016, as well as the RateSetter Lender Agreement.

Mr L has told us his main concern is that he only wanted to invest if his return was 6.1%. He feels the confirmation he got told him this so why, in fact, did RateSetter lend his money at another rate.

In deciding what's fair I've looked at whether Mr L was guaranteed a specific rate. I think the Lender Agreement is clear on this issue:

*"The rate you select when you make an offer to lend (the "Lender Rate") is the annualised expected rate which assumes:*

*4.3.1. you do not use the Sellout function in accordance with clause 6;*

*4.3.2. your money is not repaid early, in part or in full;*

*4.3.3. a Resolution Event is not declared in accordance with clause 7.6; and*

*4.3.4. in the case of offers to lend in the five year market, full re-investment of all repayments at the same rate and term"*

Mr L wanted to invest in the 5-year market. So when capital and interest are repaid, I believe the maximum rate is achieved by the income being automatically reinvested. In Mr L's case,

he's opted to have money paid into his account before reinvestment. I believe this is why he's getting slightly less than he'd expected.

I can't see any evidence Mr L was guaranteed any rate. I'm also sure, because he's told us, he understands the difference between the two rates RateSetter use (the lending return rate and the contract rate).

I know Mr L feels he was misled but I don't think this was the case. I've also reviewed what the overall impact has been. I'm sure Mr L will accept this has been slight, based on his overall investment with RateSetter. He had the option to sell out of his contract and therefore minimise any loss. I note he didn't take up this option.

But I don't think the rate he's getting is his main concern. What he wants us to do to put things right is to instruct RateSetter about how to quote their rates in the future. I'm not able to do that. I review cases individually rather than set or recommend future policy. Overall I don't think it's fair to ask RateSetter to do anything further.

### **my final decision**

For the reasons I've given, my final decision is not to uphold Mr L's complaint against Retail Money Market Limited, trading as RateSetter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 17 November 2016.

Sandra Quinn  
**ombudsman**