



## Complaining about your lender

Fact sheet no. 34 EW Complaining about your lender

July 2018

Use this fact sheet to:

- understand what you can complain about;
- get tips on making an effective complaint;
- find out how to complain to the Ombudsman; and
- decide if you can take legal action against your lender.

The sample letter mentioned in this fact sheet can be filled in on our [website](#).

### Consumer credit complaints

Companies that carry out consumer credit activities must have permission or authorisation from the [Financial Conduct Authority](#). They must have a formal complaints procedure. If they do not, or if they do not follow the procedure properly, their authorisation may be affected. Without permission or authorisation, a company cannot legally offer credit. Companies that must have permission or authorisation include:

- businesses whose main activity is lending and hiring;
- debt collectors; and
- credit brokers and businesses who offer consumer credit, such as motor dealers and furniture retailers.

#### Important:



##### limits of this fact sheet

This fact sheet only deals with companies that give credit, for example banks, hire purchase companies and payday lenders. It does not cover companies that provide gas, electricity, water or phone services, and it does not cover councils.

#### Information:

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##### action the FCA can take

The Financial Conduct Authority cannot deal with individual complaints. However, as the regulator, they can take action against companies. This means they are interested in collecting information and evidence about poor behaviour. **Contact us for advice.**



## Financial Ombudsman Service (FOS)

The Financial Ombudsman Service (FOS) plays a very important part in complaints. It does not have the power to fine or punish businesses, but it can help settle disputes between businesses and consumers. FOS can look into your complaint, and can award compensation to you.

## What you can complain about

FOS can help with most complaints about UK consumer credit products and services. For example

- banking;
- credit cards and store cards;
- loans and hire purchase;
- payday loans and pawn broking; and
- debt collectors.

## Who can complain?

You do not need specialist help to complain. The FOS complaints procedure is easy to follow, and you should not be disadvantaged if you don't have any help. However, if you do not feel happy doing it yourself, you can appoint someone to act on your behalf.

You must give them written permission to do this because of data protection rules. The person could be a friend, family member or an organisation such as a citizens advice bureau. See **Useful contacts** for how to find your local citizens advice bureau.

## How to complain

Before FOS will look at your complaint, you must first complain to your lender.

### Extra advice:



#### complaints procedure

You can only complain to FOS once you have gone through your lender's complaints procedure. See the later section **How to complain?**.

### Warning:



#### claims management companies

There are many companies that offer to help people make complaints, but charge a fee for doing so. **There is no need to pay.** It costs nothing to complain to the Financial Ombudsman Service (FOS). You can also call them for free if you need guidance and information on complaining, or **contact us for advice.**



My Money Steps is our free, independent and confidential online debt advice service. My Money Steps will help you work out a budget and give you a personalised action plan setting out practical steps to deal with your debts.

[www.mymoneysteps.org](http://www.mymoneysteps.org)



Freephone **0808 808 4000**  
[www.nationaldebtline.org](http://www.nationaldebtline.org)



- Write to your lender explaining your complaint.
- Set out the facts as clearly as you can.
- Say what you are not happy with, and what you want them to do about it.
- Include any evidence that you feel supports your complaint.
- You may find our sample letter [Complain to your lender](#) helpful.

By law, your lender has **eight weeks** to respond to your complaint. FOS is not able to look into your complaint before this time period is up. They can still offer information and guidance. See the later section **Useful contacts** for how to contact FOS.

## Extra advice: lender's complaint procedure



Ask your lender for a copy of their complaints procedure. This will tell you how you can expect your lender to deal with your complaint, and in what timescale.

## If you are not happy with your lender's response to your complaint

If you are not happy with the outcome of your complaint to your lender, or they do not respond at all, you can take your complaint to FOS.

You have **six months** from the date of your lender's final response to take your complaint to FOS. Often your lender will tell you when their response is final. It may be their only response to your complaint. If you are not sure, ask your lender. If you do not complain to FOS within **six months**, they may not be able to help. Time limits may also apply if what you are complaining about happened some time ago, or you left it too long after you knew, or should have known, there was a problem. **Contact us for advice.**

To make a complaint to FOS, you need to fill out their complaints form. This is available on their website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk), or phone them on **0300 123 9123**. They can help you to fill the form in over the phone.



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## Unfair relationships test

The **Consumer Credit Act 2006** brought in new rules about 'unfair relationships' between borrowers and lenders. If you think that the interest rate being charged on your agreement is very high, or there other terms and conditions in your agreement that are unfair, you may be able to take action. Only a court can decide if an agreement is unfair under the rules. If they decide it is unfair, they have a wide range of powers. They can change the terms of the agreement or order the lender to pay money back.

There is no set list of what is an unfair relationship. This means that taking court action using these rules is complicated. You must get proper legal advice. **Contact us for advice.**

### Information:

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#### reporting an unfair relationship

You can **report an unfair relationship** to the Financial Conduct Authority (FCA). The FCA website gives more information about how they challenge unfair terms [www.fca.org.uk](http://www.fca.org.uk).

### Information:

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#### agreements

The unfair relationship rules apply to new agreements from **6 April 2007** and all existing agreements from **6 April 2008**. The new rules replace the 'extortionate credit' rules in the **Consumer Credit Act 1974**.

The rules cannot be used for regulated mortgage contracts. Regulated mortgage contracts include first charge mortgages and secured loans. The rules can be used for some secured loans that were taken out before **21 March 2016**, **contact us for advice.**

## Harassment

If you owe money, your lender or a debt collector is allowed to contact you to ask for payment. However, they must not threaten or harass you. If you think the behaviour of your lender or debt collector might be harassment, you can complain. The Financial Conduct Authority (FCA), in the **Consumer Credit sourcebook**, has published detailed rules and guidance which set out how companies should behave when collecting debts. **Contact us for advice.**

### See our fact sheet:



#### Harassment by creditors and debt collectors.



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[www.mymoneysteps.org](http://www.mymoneysteps.org)



## Useful contacts

### Citizens Advice Bureau

(Independent, free advice on debt, housing and benefits)

Phone: 0844 411 1444

[www.adviceguide.org.uk](http://www.adviceguide.org.uk)

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

### Citizens Advice consumer service

(Free and independent advice on consumer issues)

Phone: 0845 404 0506

[www.adviceguide.org.uk](http://www.adviceguide.org.uk)

### Financial Conduct Authority

Phone: 0845 606 1234

Email: [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)

[www.fca.org.uk](http://www.fca.org.uk)

### Financial Ombudsman Service

Exchange Tower

London

E14 9SR

Phone: 0800 023 4567 or 0300 123 9123

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

### Money Advice Service

(Useful information about making a complaint)

Phone: 0300 500 5000

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)



National Debtline endeavour to keep our fact sheets as up-to-date as possible, however, we cannot be held responsible for changes in legislation or for developments in case law since this edition of the fact sheet was issued.

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