

Below is guidance on how to complete your Pack, which will form the basis of your Complaint.

## REQUIRED ACTION FOR THE LETTERS OF AUTHORITY



- 1 The **Pink LOA** will allow us to liaise with your Loan Provider.
- 2 The **Green LOA** allows us to request information from your Bank, to help assess your affordability at the time you took out the Loan and substantiate your Complaint. Please **COMPLETE** the field 'Bank Name' to tell us the name of the Bank where the repayment of your Payday Loan came from.

### NEXT

Please **SIGN** and **DATE** both of the Letters of Authority (LOA), having read carefully the Terms of Engagement on the reverse, and **RETURN** to us.

## REQUIRED ACTION FOR THE PAYDAY LENDING QUESTIONNAIRE



**COMPLETE** ALL questions on the Questionnaire using this Help Form and **RETURN** to us, using the Freepost envelope.

OR



**CALL** us and we will complete the Questionnaire with you over the phone.

**IMPORTANT: If you have previously complained about your Payday Loan, we will not be able to help you further as your Complaint will have already been considered by your Loan Provider.**

## WHAT IS THE PAYDAY LENDING QUESTIONNAIRE?

The Questionnaire is designed to assess whether the Loan Provider followed the rules. By collating information about your circumstances at the time you took the Loans and your circumstances during the repayment periods, we can form a basis for your Complaint. Please include as much information as possible to help us investigate your Complaint. This information will be shared with your Loan Provider as part of the complaint process.

## SECTION A: YOUR CIRCUMSTANCES

This section is designed to give a clear picture of what your circumstances were at the time the Loan(s) was taken out. Your Loan Provider should have assessed whether the Lending was affordable by considering your circumstances and financial situation, but sometimes the Loan Providers did not follow the rules.

Practically, you should have had enough income left over after repayment to be able to meet your existing obligations (e.g. household bills, existing debts) and non-essential spending (e.g. your disposable income, which allows you a comfortable standard of living).

Loan Providers often complete this assessment of your affordability through conducting a review of your income and expenditure.

We ask you to describe your financial situation at the time (see A6) and to help you best explain we have given you some options;

- **Stable:** Able to meet existing commitments, with some money left over for non-essential spending
- **Unstable:** Barely meeting existing commitments and needed additional funds for essential spending, e.g. emergency home/car repairs
- **Critical:** Struggling to meet existing commitments due to pressures of being in a cycle of short-term Lending. You had perhaps sought advice on your financial situation from a debt charity, Citizens Advice Bureau, etc.
- **Unsure:** None of the above cover your situation at the time.

Your Loan Provider should have verified the information you provided to make sure this was correct.

## SECTION B: TAKING OUT YOUR INITIAL LOAN

Payday Loan Lenders are supposed to run sufficient checks to establish that you are able to pay back the Loan before Lending to you, this section is designed to establish whether they followed the rules.

This includes credit checks. Your Loan Provider should have reviewed your credit file to assess your creditworthiness each time you applied for a Payday Loan. Simply put, they should have made sure that you were managing your existing financial commitments. Loan Providers must have gained your consent to perform a credit check. In addition, they should have reviewed your bank statements to confirm existing commitments and help assess your affordability.

The Loan Provider should have explained clearly the terms of the Loan agreement, including key risks about how repayment would be taken, consequences of missing a payment and fees and charges. If these were not explained and/or supplied, then the basis on which you were sold the Lending may not have been clear or accurate.

Both the credit check and affordability assessment should have been completed whenever you obtained a new Payday Loan. This section will summarise that information including your general financial situation and whether you could afford the Loan or whether the Lending was irresponsible.

## SECTION C: ADDITIONAL BORROWING WITH YOUR LOAN PROVIDER

After an initial Loan, many people become reliant on short-term Lendings to meet their daily needs. If you took additional Loans it might highlight an issue of your dependency on short-term Lendings to meet everyday needs. Additional Loans may have been taken by either reborrowing or a rollover Loan:

- **Reborrowing** means taking out a new Payday Loan to repay the first Loan. The second Loan is a separate agreement. This increases the total debt amount and interest must also be repaid.
- **Rollover** is where the terms of the Payday Loan are extended to allow for a greater period of time to repay the Loan. This can be completed with or without freezing interest. Where interest is not frozen, the amount you owe will continue to increase.

If either of the above applied to you then your Loan Provider should have told you that short-term Lending was not a long-term solution. They should have assessed your financial situation and whether you could afford additional Loans. This section assesses whether that applied to you.

## SECTION D: LOAN REPAYMENTS

Once in a lending cycle, further issues can arise, again around affordability. We have considered the initial affordability of the Loan in Section A, this section considers what happened during the term of the Lending and if your circumstances changed and affected your ability to meet repayments. The Loan Provider should have identified if you were in financial difficulty and treated you fairly and these questions will establish if that was the case or not. You should consider if anything changed in your situation which affected your ability to meet repayments and how your Loan Provider reacted to those changes and/or missed repayments, including their contact with you and increased charges.

## SECTION E: ABOUT YOUR COMPLAINT

Generally, this section asks for your recollections of what happened during the sale of the Loan(s). This is an opportunity for you to put forward your experience and dissatisfaction in your own words. You should detail any impact that your Payday Loan(s) has had on you, including any financial difficulty it has caused you.

## SECTION F: ADDITIONAL SPACE

If you require more space to complete any of your answers, please use this section.