

Scheme Claims Methodology

We will assess your claim by carrying out a number of checks and tests on your loan history. We will use information held by us and information given by you on your Claim Form that may show if the loan was affordable or not.

Some of the things we will check to see if your loan was unaffordable or not include:

The **number of loans** you were given in a **2-year** period

If you had an **outstanding CCJ**

If we did not carry out the right checks on your loan application

Other factors we will look at if you had fewer loans in 2 year period and one of the following:

There was less than a 3-month gap between your loans

Your **loan balance doubled** from the start to the end of the year

You had **other loans** with other loan providers

Your loan was used to **refinance** a previous loan

Other factors that we will consider include:

An **active and recent default on file**

An **unusual pattern** of borrowing

A **declining payment performance**

Increasing loan amounts

High arrears

We may also take into account any other factors or circumstances. These include your ability to understand if you could afford the loan or not and the loan terms. This could be a result of, for example, Alzheimer's or Dementia. Medical evidence would be needed to support your claim.

If your claim is upheld...

If your claim is upheld, we will work out your compensation by:

Taking the amount of **interest you paid** above your loan value

+

Adding **8% simple interest** from the time you paid the interest

Example:

You took out a **£200** loan and paid **£100** interest on top of the loan. You paid the interest **5 years ago**.

Your compensation will be **£100** for the interest you paid plus simple interest at **£8 per annum** for **5 years (£40)**.

Total Compensation = £140

We will then set off any amounts that you owe to us from any other outstanding loans you have with us

We will then contact you to let you know if your claim has been accepted and the compensation value

We will then look at all the claims agreed with customers. We will then work out what share we can pay to each customer out of the funds that we have