

CMA secures loan write-off from payday lender

News story

Following CMA action, payday lender Shelby Finance has written off loans and apologised to customers after not providing them with important information.



The Competition and Markets Authority (CMA) found that Shelby Finance did not provide summary of borrowing statements to more than 15,000 customers between August 2018 and July 2019, despite being required to do so under the [CMA's Payday Lending Order](#).

These statements help customers to make timely and informed decisions by telling them, among other things, how much interest or fees they are expected to pay on their loans and when their next payment is due. The information can also help customers shop around for a loan that best suits their needs. Research indicates payday loans are often used by more vulnerable consumers, and the CMA is particularly concerned about the impact this breach may have had on them.

After being contacted by the CMA, Shelby Finance has written off loans of approximately £500,000 for some of the customers affected. It has also apologised, sent late summaries of borrowing by email and retrospectively made summaries of borrowing available online for customers. Additionally, Shelby Finance has put measures in place to ensure future compliance. The CMA will continue to monitor its progress and may take formal enforcement action if further breaches take place.

Alistair Thompson, CMA Director of Remedies, Business and Financial Analysis, said:

The summaries we require payday lenders to send to customers are crucial in helping borrowers make informed decisions about their loans.

While it is disappointing to see so many customers not being properly informed, Shelby Finance's commitment to writing off £500,000 in loans will help put this right. We will continue to monitor the situation and will take further action if needed.

Further information is available on the [CMA's website](#).

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