

Loan Application Decision – Existing Debts

Why we declined your application

We declined your loan application because your current level of debt is higher than our lending guidelines allow. We assessed this using your credit report or, where we do not carry out a credit search, the debt repayments shown on your bank statements.

This does not necessarily mean you have missed payments or managed your accounts badly. Your existing repayments may simply leave too little room for further borrowing. We must lend responsibly and only approve a loan when we believe it is affordable now and over the longer term.

What you can do next

- **Check your credit report.** Make sure the information is correct and ask for any errors to be fixed. You can check your report free at [TransUnion](#) or use the 'CRAIN' link in the footer of our website.
- **Review your budget and debts.** Check recent bank statements, cancel services you no longer need, and keep up with essential bills and repayments where you can.
- **Get free debt advice if you are struggling.** Contact a reputable debt charity as soon as possible.

Buy Now, Pay Later (BNPL)

BNPL is a type of short-term credit that allows you to delay payment – usually by splitting a purchase into instalments over a set period. It's widely offered at online checkouts and often promoted as 'interest-free'.

For some people BNPL offers a helpful way to manage their spending, but for others it can lead them to spend more and cause confusion with managing different payments.

Missed payments can lead to fees and charges which can build up quickly if you fall behind.

London Plus always review BNPL during loan assessments to ensure it's not causing any financial difficulties.

Answers to common questions

When can I reapply?

You can reapply after 3 months. To improve your chances, we recommend:

- Maintaining a stable account, with controlled spending and no financial pressure
- Keep up with bills and financial commitments to show affordability

- Check that you are receiving all the money that you are entitled to

We will typically look for at least 3 months of improved financial circumstances before considering a new application.

We can never guarantee to lend and will assess your overall affordability at the time of reapplication.

I wanted the loan to repay other debts

Debt consolidation can be an effective way for some people to manage their debts, but it is not suitable for everyone.

Combining existing debts into a single loan does not reduce the total amount owed and may still be unaffordable. We always assess whether consolidation is likely to improve your overall financial position over the medium to long term.

I already have a loan with you and I've never missed a payment

Although we want to support members, we may not be able to approve additional funds every time they apply.

Our decisions are always based on your current financial situation, rather than your past borrowing or repayment history. We also review our lending criteria regularly to take account of the general cost of living which may impact affordability.

We always want to support our members, so you will be able to apply again in 3 months' time.

Could you lend me a smaller amount?

We always consider if a smaller loan would be affordable before making our decision.

If you need help with debt

Do not ignore debts you cannot afford. Free, confidential and non-judgemental help is available from:

- [StepChange](#)
- [National Debtline](#)
- [PayPlan](#)
- [Citizens Advice](#)
- [MoneyHelper](#)

Deal with priority debts first, such as rent or mortgage arrears, council tax, energy bills, fines and tax. A debt adviser can help you identify priorities, contact creditors and explain your options.

Worried about a loan shark?

If you think you may have borrowed money from an unlicensed lender, contact the Illegal Money Lending Team confidentially on 0300 555 2222 or by WhatsApp on 07700 102773. They will provide you with help and support and you don't have to give your name.

Simple ways to improve your finances

- Make a monthly budget using your income, bills, debts and everyday spending.
- Check bank statements for subscriptions or regular payments you no longer need. Check any contract before cancelling.
- Use the [Turn2us benefits calculator](#) to check whether you could claim more support.
- Prioritise essential spending and, if possible, build a small regular savings habit.

If money worries are affecting your health, contact your GP or visit the NHS website.

If you need to talk to someone urgently, call Samaritans free at any time on 116 123.

London Plus Credit Union Ltd

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