



Compensation Payments Spot Check – November 2024

KPMG carried out a spot check of Curo's arrangements for compensation payments, including whether payments were calculated and approved in line with Curo's Compensation Policy and procedures. The review tested a sample of 25 payments made between April and August 2024 across different parts of the business and different payment values.

The review achieved a **78% compliance rating**. As this was a spot check rather than a full internal audit, KPMG did not provide a formal assurance rating. Good practice included compensation request forms being completed and retained for all payments sampled, Finance carrying out checks of customers' bank details before payments were made, and the recording of information which enabled analysis of compensation payments by type and responsible department.

The review identified areas where controls and guidance needed to be strengthened. These included retaining evidence that payments had received the appropriate approval; improving the recording and calculation of time and impact payments; clarifying the approach to payments for missed appointments, mishandled complaints and goodwill; and distinguishing compensation from reimbursement for works that Curo should arrange directly. KPMG also identified a need for better analysis of compensation trends and underlying root causes.

Curo agreed actions to strengthen its compensation policy and procedures, clarify delegated authority and approval requirements, improve quality assurance and documentation, and provide further guidance to colleagues. Curo also agreed to introduce regular analysis of compensation trends and root causes to help identify opportunities for service improvement and reduce the risk of recurring issues.