

Your loan is paid. What to do when the lender will not confirm it

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Paying an online loan and being free of it are two different events, and in the Philippines they are often weeks apart. The gap is where the damage happens: collection messages keep arriving, a credit-bureau entry keeps showing a default, and "waived" interest quietly comes back. This guide is not about writing the demand — LabanPH generates that for you. It is about the move after it: what each possible reply from the lender actually means, which of them are progress and which only look like progress, and where to go next in each case. Find the branch that matches the reply you got.

1. Send the demand, then freeze the evidence

Send the demand to the lender's official support or complaints address, not through in-app chat. App chats are deleted, expire, or become unreachable when an account is closed; an email leaves a timestamp that both you and a regulator can read later.

Before you do anything else, make copies of four things and keep them somewhere that is not your phone: the payment receipt or screenshot showing the reference number, any message in which the lender offered to waive interest or settle, the demand letter you sent, and proof that you sent it. Almost every branch below turns on one of these four. A borrower who cannot produce the reference number cannot make a lender trace a payment, and a borrower who cannot produce the waiver message is arguing about interest with nothing in hand.

One more thing to fix now rather than later: if the mobile number registered to the loan no longer works, say so in writing and name the email address you want used. A lender that sends a certificate by SMS to a dead number records it as delivered, and you will spend weeks arguing about a document they believe they already gave you.

TIP

Send a copy of the demand to yourself at the same time. It costs nothing and it turns "I sent it around the tenth" into a timestamp.

2. If they send the Certificate of Full Payment

This is the outcome you wanted, but read the document before you file it away. It should name you, name the account or loan number, and state either that the account is fully paid and closed or that the balance is zero. A certificate that says only "no outstanding obligation as of [date]" is usually enough, but if the account number is missing, reply and ask for it to be added — an unnumbered certificate is hard to match to a debt that resurfaces under a different reference later.

Then do the one thing most people skip: check whether the credit record followed. Under RA 9510, lending and financing companies report borrower data to the Credit Information Corporation, and the same law gives you the right to access your own credit report and to dispute entries that are wrong or out of date. A settled loan that still shows as delinquent will affect the next loan you apply for, and the time to fix it is while the lender is still acknowledging that you paid.

TIP

Store the certificate in three places — email, phone, and one place that is neither. This is the document that ends the argument if the "balance" is ever sold on.

[law] RA 9510 — Credit Information System Act of 2008 — https://lawphil.net/statutes/repacts/ra2008/ra_9510_2008.html

3. If they confirm a zero balance but will not call it a certificate

Take it. Many lenders have no document called a "Certificate of Full Payment" and will not invent one. A Statement of Account showing a zero balance, or a plain email saying your account is fully paid and closed, does the same work — what matters is that it is in writing, it identifies the account, and it comes from the lender.

What is not enough is a phone call, a chat bubble, or a verbal assurance from a collector. If the confirmation reached you by phone or in-app chat, reply in writing: state what you were told, on what date, by whom, and ask them to confirm it by email. A lender that will not put a zero balance in writing is telling you something about what it intends to do with that balance later.

Do not spend weeks fighting over the title of the document. Get the fact recorded, then move to the credit-record check above.

BE CAREFUL

"We will update our records" is not a confirmation that the account is closed. It is a promise to do something, with no date and no statement of the current balance. Ask what the balance is now.

4. If fifteen days pass and nothing comes

Silence is the most common outcome, and it is also the easiest one to act on, because there is nothing to argue with. Online lending apps are supervised by the Securities and Exchange Commission — not the Bangko Sentral — and the SEC enforces Memorandum Circular No. 18, series of 2019, against lending and financing companies.

File with the SEC and attach the same four documents from Step 1. In the complaint, be specific about what you asked for and when: a complaint that says the lender is "unresponsive" is weaker than one that says a written demand was received on a named date and that no reply of any kind followed. Note that MC 18 §1(e) treats the failure to communicate that a debt is being disputed as an unfair collection practice in itself — your demand put the dispute on the record, so their silence is not neutral.

Be realistic about timing. Neither RA 11765 nor MC 18 sets a deadline for a lender to issue proof of payment, and the fifteen days in your letter is your own demand, not a statutory clock. What the fifteen days does is establish that you asked, that you gave a reasonable period, and that nothing happened — which is what a regulator needs to see.

CITATION

SEC MC No. 18 (2019), §1(e): it is an unfair collection practice to communicate loan information "which is known, or which should be known, to be false, including the failure to communicate that the debt is being disputed."

[circular] SEC MC 18, s. 2019 — Unfair Debt Collection Practices — <https://www.sec.gov.ph/wp-content/uploads/2019/10/2019MCNo18.pdf>

5. If they say they never received your payment

This is the branch to expect if you paid from an account or mobile number other than the one registered to the loan — a bills payment from a family member's wallet, or a new wallet opened after a SIM was deactivated. Lenders reconcile incoming payments against the registered number. A payment that arrives from somewhere else can sit in a suspense account, correctly received and never applied, while your loan keeps ageing.

The fix is documentary, not argumentative. Get the transaction receipt from the wallet or bank that actually made the payment — the one showing the reference number, the amount, the date, and the biller it was paid to. Send it to the lender and ask them to trace the reference number and post the payment to your account. Do not simply repeat that you paid; give them the number that lets them find it.

If the wallet confirms the money was delivered to the lender as biller and the lender still says it has nothing, that is a reconciliation failure on the lender's side, and it is the lender that is holding your money. Say so in writing, and treat it as a disputed amount — under RA 11765 §8(f), a provider must suspend the imposition of interest, fees and charges on a disputed amount pending the result of its final investigation report.

BE CAREFUL

Do not pay again to make the problem go away. A second payment against an unreconciled first one is very hard to recover, and it removes the lender's incentive to look for the first.

6. If they say the waived interest is still owed

Produce their own message. An offer to waive interest, made in writing by the creditor, is the creditor's own term; paying on the strength of it settles the account on that term. This is why Step 1 tells you to keep that message — without it you are arguing about an offer that only one side can now see.

The Civil Code helps here. Article 1176 provides that "[t]he receipt of the principal by the creditor without reservation with respect to the interest, shall give rise to the presumption that said interest has been paid." If they accepted your payment of the principal and said nothing about reserving interest at the time, that presumption runs in your favour. Article 1231(1) provides that obligations are extinguished by payment or performance.

Say in writing that you dispute any remaining balance, and cite RA 11765 §8(f) — interest, fees and charges must be suspended while they investigate a disputed amount. Then, if they maintain the claim, file with the SEC and attach the waiver message alongside the payment proof. A lender arguing against its own written offer is a straightforward thing for a regulator to read.

CITATION

Civil Code Art. 1176 is a disputable presumption, not a conclusive one — the lender may rebut it with evidence that it did reserve the interest. That is exactly why their original waiver message matters so much.

[law] Civil Code of the Philippines (RA 386), Book IV — Arts. 1176, 1231 — <https://chanrobles.com/civilcodeofthephilippines-book4.htm>

[law] RA 11765 — Financial Products and Services Consumer Protection Act — <https://www.officialgazette.gov.ph/2022/05/06/re-public-act-no-11765/>

7. If collection continues anyway

Collection on an account you have shown to be paid is a separate problem from the missing certificate, and it has its own remedies. Two provisions of SEC MC 18 do most of the work. Under §1(h), contacting people in your phone contacts — anyone other than a guarantor or co-maker you actually named — is an unfair collection practice regardless of any consent you gave when you installed the app. Under §1(b), threatening action that cannot legally be taken is prohibited, and that covers threats of arrest: no one in the Philippines may be imprisoned for debt.

If the lender has passed the account to a collection agency, the lender does not escape by pointing at the agency. RA 11765 §13 makes the provider solidarily liable with accredited third-party providers for their acts in debt collection, and MC 18 §3 says the ultimate responsibility for collection practices remains with the lending or financing company. Address your complaint to the lender and name the agency.

Where the misconduct involves your personal data — messages to your contacts, disclosure of the debt to your family or employer — that is separately actionable before the National Privacy Commission under RA 10173. The two filings are not alternatives; the SEC looks at the collection conduct, the NPC at the data.

BE CAREFUL

Screenshot everything, including the sender's number or account name and the timestamp. A screenshot of message text with no sender and no time is very hard for a regulator to use.

[law] 1987 Constitution, Article III, Section 20 (no imprisonment for debt) — <https://www.officialgazette.gov.ph/constitutions/1987-constitution/>

[law] RA 10173 — Data Privacy Act of 2012 — <https://www.privacy.gov.ph/data-privacy-act/>

8. If the balance resurfaces months later

A settled account that reappears — usually under a new reference number, often through a collection agency that was not involved the first time — is the reason the certificate is worth chasing while the lender is still cooperative. Send the certificate or the written zero-balance confirmation, state the date the account was settled, and demand that collection stop.

If the debt was sold or assigned, the buyer takes it subject to the same facts: an obligation already extinguished by payment cannot be revived by being transferred. Ask the new holder, in writing, to produce the assignment and the balance it claims, and send them your proof of payment.

One timing note worth knowing. RA 11765 §14 provides that actions or claims accruing under that Act prescribe after five years from the time the transaction was consummated, or five years from discovery of deceit or nondisclosure of material facts, and in any event after ten years from the commission of the violation. That is the clock for claims under that Act; ordinary Civil Code prescription for other claims is a separate question and one to put to a lawyer.

[law] RA 11765 §14 — prescription of claims under the Act — <https://www.officialgazette.gov.ph/2022/05/06/repub-lic-act-no-11765/>

9. If you are stuck at any branch

You do not have to work out which branch you are on alone. Reply to the email LabanPH sent you with the lender's actual response pasted in, and we will tell you which of the branches above it is and what to send back. If you came to this guide from a search rather than from an email, ask on any answer page and the same thing happens.

For anything that has become a court matter — a collection suit, a subpoena, a case filed against you — that is past what a guide can carry. Free and low-cost representation exists: the Public Attorney's Office, IBP legal-aid chapters, and university legal clinics are listed with their coverage and eligibility at labanph.org/legal-help. LabanPH is not a law firm and nothing here is legal advice.

ACTION CHECKLIST

- ☐ Demand sent to an official email address, not in-app chat, with a copy to yourself
- ☐ Four documents saved off your phone: payment receipt with reference number, the lender's waiver or settlement message, the demand you sent, proof you sent it
- ☐ New contact email given to the lender in writing if the registered mobile number is dead
- ☐ Any confirmation that arrived by phone or chat repeated back to them in writing
- ☐ Certificate or written zero-balance confirmation names you and the account number
- ☐ Credit record checked against the Credit Information Corporation after settlement
- ☐ SEC complaint prepared if fifteen days pass with no reply
- ☐ NPC complaint prepared separately if your contacts, family or employer were messaged

FREQUENTLY ASKED QUESTIONS

Is there a legal deadline for a lender to issue a Certificate of Full Payment?

No. Neither RA 11765 nor SEC MC 18 sets a period for issuing proof of payment. The fifteen days in the LabanPH demand letter is your own deadline, not a statutory one. Its value is evidentiary: it shows you asked, gave a reasonable period, and got nothing — which is what a regulator needs before it will act.

Is a screenshot of a zero balance in the app enough?

It is worth keeping, but it is weaker than a written confirmation. App balances change, accounts are closed, and a screenshot does not identify who at the company stands behind it. Ask for the same fact by email.

Do I file with the SEC or the BSP?

The SEC. Online lending apps operating as lending or financing companies are supervised by the Securities and Exchange Commission under RA 9474 and RA 8556, and the SEC enforces MC 18 against them. The BSP supervises banks and e-money issuers — relevant if your complaint is about the wallet you paid through, not about the lender.

They are threatening to have me arrested. Can they?

No. Article III, Section 20 of the 1987 Constitution provides that no person shall be imprisoned for debt. A threat of arrest over an unpaid loan is a threat to take action that cannot legally be taken, which SEC MC 18 §1(b) prohibits — the threat is itself a violation you can report.

I paid from someone else's GCash account. Does that count as payment?

Yes — the money reached the lender. The difficulty is not legal but administrative: their system matches payments to the number registered to the loan, so a payment from elsewhere may not be applied automatically. The reference number on your receipt is what lets them trace it, which is why it belongs in your demand.

REFERENCES

[law] RA 11765 — Financial Products and Services Consumer Protection Act — <https://www.officialgazette.gov.ph/2022/05/06/re-public-act-no-11765/>

[circular] SEC MC 18, s. 2019 — Unfair Debt Collection Practices — <https://www.sec.gov.ph/wp-content/uploads/2019/10/2019MCNo18.pdf>

[law] Civil Code of the Philippines (RA 386), Book IV — Arts. 1176, 1231 — <https://chanrobles.com/civilcodeofthephilippines-book4.htm>

[law] RA 9510 — Credit Information System Act of 2008 — https://lawphil.net/statutes/repacts/ra2008/ra_9510_2008.html

[law] RA 10173 — Data Privacy Act of 2012 — <https://www.privacy.gov.ph/data-privacy-act/>

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