Securities and Exchange Commission PHILIPPINES

BAGONG PILIPINAS

PUBLIC ADVISORY

On The Alleged Unlawful Lending Activities of CapitalNote

The Securities and Exchange Commission (SEC) hereby warns the public against dealing with **CapitalNote**, an online lending application (OLA) that has been the subject of numerous complaints involving alleged unlawful and abusive practices.

The Commission has received complaints from borrowers alleging that CapitalNote falsely represented itself as a money-tracking application but subsequently facilitated the unauthorized disbursement of funds to their accounts without their consent or agreement to any loan transaction. Complainants likewise alleged that loan proceeds were credited to their accounts without adequate disclosure of the corresponding loan terms and conditions.

In one reported instance, the complainant promptly contacted the company through email and refunded the amount received on the same day, following the instructions of the company's representatives. Notwithstanding the immediate return of the funds, the complainant allegedly continued to receive numerous text messages and phone calls containing threats and other forms of harassment, including warnings that personal photographs would be circulated publicly, that the complainant would be subjected to public embarrassment, and that physical harm would be inflicted upon them.

It was further alleged that representatives of the said application had engaged in harassment against borrowers and other individuals whose information may have been accessed through the application.

Based on information received by the Commission, CapitalNote has also been reported to engage in activities such as the imposition of excessive charges and the use of unfair and aggressive debt collection practices, including harassment and public shaming of borrowers.

The Commission informs the public that **CapitalNote is not registered with the SEC** as a corporation, partnership, or other juridical entity authorized to conduct business in the Philippines. Consequently, it does not possess the requisite authority from the SEC to operate as a lending or financing company in the country. **Neither is CapitalNote in the list of Online Lending Applications (OLAs).**

The public is reminded that only lending and financing companies that are duly registered with the SEC and possess the necessary Certificate of Authority may legally engage in lending. Persons transacting with unregistered entities expose themselves to significant financial and legal risks, including the inability to seek effective recourse against the operators of such entities.

The public is advised to exercise due diligence and verify with the SEC whether an online lending provider is duly authorized before availing of its services. **Persons who may have been adversely affected by the activities of CapitalNote may submit their complaints, together with supporting evidence, through the SEC eComplaint facility (iMessage)** for appropriate action. The Commission likewise urges the public to remain vigilant against suspicious online activities and reiterates its commitment to protecting consumers from abusive, unlawful, and unauthorized financial practices.

For the guidance of the public.

Makati City, 16 June 2026