

## **Complaint**

Ms C says Provident Personal Credit Limited (“Provident”) irresponsibly provided her with unaffordable loans.

## **Background**

As I understand it, Provident provided five home collected credit loans to Ms C between March 2008 and March 2010. And Ms C’s account was sold on to a third-party debt purchaser in August 2014.

Provident agreed that it shouldn’t have provided loans 3 to 5 to Ms C. It is my understanding that Ms C agreed with the conclusions on which loans it was unfair to provide her with. But she disputes the amount of compensation offered. As the parties have been unable to agree on a resolution, the complaint was passed to me for review.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint. We’ve set out our general approach to complaints about irresponsible and unaffordable lending - including the key relevant rules, guidance, good industry practice and how we generally ask lenders to put things right - on our website.

I’ve carefully considered all of the arguments, evidence and information provided in this context and what this all means for Ms C’s complaint.

As the parties are in agreement about which loans should and shouldn’t have been provided, I don’t need to look at what happened at the time the respective decisions to lend to Ms C were made. I simply need to decide what needs to happen in order for Provident to put things right in a fair and reasonable way.

Having considered matters I’ve seen no obvious reason to depart from our standard approach to putting things right where we find a lender unfairly provided credit. So I think that Provident should put things right in the way I set out below and the amount arrived at as a result of the steps taken represents a fair and reasonable resolution to Ms C’s complaint.

## **Putting things right – what Provident needs to do**

- refund all interest and charges Ms C paid, whether to Provident or the third-party debt purchaser, on loans 3 to 5. Provident needs to ensure that Ms C is the position she’d be in if she only repaid the amount she was lent - so any extra over and above this should be returned to her;
- pay interest of 8% simple a year on any refunded interest, charges and overpayments from the date they were paid to the date of settlement†;

- remove any adverse information recorded about loans 3 to 5, where it remains, from Ms C's credit file;
- provide Ms C with an explanation and breakdown of how it arrived at the amount of compensation due to her.

† HM Revenue & Customs requires Provident to take off tax from this interest. Provident must give Ms C a certificate showing how much tax it's taken off if she asks for one.

### **My final decision**

For the reasons given above, Provident Personal Credit Limited should put things right for Ms C in the way that I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 1 July 2020.

Jeshen Narayanan  
**Ombudsman**