

The complaint

Mr B says Provident Personal Credit Limited lent to him irresponsibly.

What happened

Provident provided evidence of one home credit loan Mr B had in April 2012. The loan was for £150 and was repayable at £5.25 per week.

An adjudicator considered the complaint about this loan and did not think it should be upheld. Mr B asked that an ombudsman review his complaint.

What I've decided – and why

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 short-term lending - including all of the relevant rules, guidance and good industry practice - on our website.

Provident needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr B could repay the loan in a sustainable manner. These checks could take into account a number of different things, such as how much was being lent, the repayment amounts and the consumer's income and expenditure. With this in mind, in the early stages of a lending relationship, I think less thorough checks might be reasonable and proportionate.

I'll start by acknowledging that Mr B has said he had more than one loan from Provident. Mr B mentions loans going as far back as 2000. But I've seen no evidence of additional loans – and I should also let Mr B know that this service is unable to investigate Provident loans which commenced before April 2007. We've asked Provident to provide information to us in the usual way and its evidence includes a spreadsheet containing just one loan. I only have evidence, from Mr B and Provident, of one loan to investigate – so that's what I'll do.

Provident has provided almost no evidence of having carried out any affordability checks before giving Mr B this loan. It has also not provided a credit agreement. All I can see is that it recorded Mr B's employment status as 'unemployed' – with no record of what, if any, income Mr B had. But at an absolute minimum, I think it's fair to assume that if Mr B was unemployed, he'd have been entitled to the job seeker's allowance unemployment benefit.

With that in mind, the weekly repayments could have been close to 10% of Mr B's income – which is not a small amount for someone who is unemployed. But I am also mindful that there is little to no evidence of Mr B's financial situation at the time of the loan. Neither Mr B nor Provident have really provided anything which gives me any real insight into Mr B's

income, expenditure or broader financial circumstances in 2012. So I have little evidence to suggest a more thorough affordability check would've suggested the loan was unaffordable.

I've also seen that, in the spreadsheet Provident has provided, the loan is shown as having been written off in July 2012. And at that point Mr B had only repaid £21.50 towards the £150 loan. So even if the loan shouldn't have been provided, it doesn't look like Mr B lost out financially. As it seems the loan was written off around eight years ago, it's perhaps unsurprising there's so little evidence in this case.

Given all of the above, I'm not satisfied there's any evidence of a financial loss. So for this reason, I'm not upholding Mr B's complaint.

My final decision

I do not uphold Mr B's complaint against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 August 2020.

Matthew Bradford
Ombudsman