

The complaint

Mr W says the loan he took with Provident Personal Credit Limited, trading as Satsuma ("Satsuma"), isn't enforceable as he wasn't able to access the two-way signed credit agreement via the email link sent by Satsuma. He also complains that the early settlement quote was too high.

What happened

Mr W applied for a loan with Satsuma online in July 2019. The amount applied for was £600 and was to be repaid over six months at a cost each month of £189.60. The total amount payable would be £1,137.60. The loan was agreed on 18 July 2019.

On 9 August 2019 Mr W asked for an early settlement quote and was told total the amount payable would be £798.78. The total amount outstanding at the time was £1,137.60 so the figure quoted included a rebate on the interest of £338.82. Mr W has settled this but isn't happy with the amount.

Mr W has also said that once he applied for the loan online, and the loan agreed, Satsuma should have sent him a copy of the agreement including the terms and conditions that was signed by the business. I understand Satsuma did this via a link contained within an email, but Mr W has said he wasn't able to open the link. As a result, Mr W says the loan agreement is unenforceable.

Our adjudicator didn't uphold the complaint. She accepted that Mr W may have been frustrated by not being able to access the signed copy of the agreement but noted Mr W hadn't contacted Satsuma about this until over three weeks after it was sent to him. This was the same day Mr W asked for an early repayment quote.

And she also confirmed that the agreement copy seen and signed by Mr W during the application process included all of the interest charges, which were front loaded, and that Satsuma had calculated the early settlement figure correctly.

Mr W remained dissatisfied but the additional points he made in his response to the adjudicator's assessment didn't cause her to change her opinion. So as the complaint remains unresolved, it has been passed to me for decision in my role as ombudsman.

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.

I think it's important to recognise that in a relationship between a consumer and a financial business, errors or dissatisfaction can and do arise. And when that happens, we would expect a business to treat the customer fairly and resolve the complaint in a timely manner.

I've reviewed the file and can see that Mr W has been frustrated with his experience with Satsuma. But I think Satsuma has treated him fairly and I note that in response to his complaint it apologised for any trouble and upset Mr W was caused.

I'll now address Mr W's specific complaint points and explain how I've reached the conclusion that I have.

Mr W applied for his loan online and the application was sent electronically to Satsuma for its agreement and signature. The credit agreement is in place once Satsuma has signed the agreement. This was then returned to Mr W via an email link, but Mr W wasn't able to open the link and as a result he says the loan is unenforceable as he was legally obliged to have a copy of the two-way signed agreement.

I should make clear this service is an alternative to the courts. While we take the law into consideration, we also take a fair and reasonable approach to complaint resolution and this what I've done in this case.

When Mr W applied for the loan, he had to confirm that he agreed to the terms and conditions that were within the credit agreement. So, I'm satisfied that Mr W was aware of those terms and conditions at the point of application and agreed to them. And I also note that when Mr W couldn't open the agreement that was signed and returned to him by Satsuma, he didn't contact the business until three weeks later about this. If not having a copy of the signed agreement had caused Mr W such a concern, I would have expected him to have contacted Satsuma immediately. And Satsuma did provide a further copy of the agreement to Mr W after he made contact.

So, while I accept Mr W may have been inconvenienced at not being able to open the link, I'm satisfied this wasn't intentional and Satsuma acted in good faith. And until Mr W made contact with Satsuma on 9 August 2019 it wasn't aware this was a problem for him. But it put the matter right. And as I've said above, Mr W had signed his agreement to the terms, so I'm satisfied he was aware of and understood those terms. So, I don't think by not receiving a useable link would have caused Mr W to have acted any differently.

I appreciate Mr W has said he would have cancelled the agreement within the 14-day cooling off period if he'd been aware of the early repayment terms. But these were all made clear at the outset. Mr W was aware the loan had been given so if he had wanted to cancel within the 14-day period, I would have expected him to have made earlier contact with Satsuma.

Satsuma confirmed its early repayment calculations were made in line with the regulations. And the loan agreement showed all of the front-loaded interest charges. It is those interest charges that are recalculated for early repayment. The principal amount borrowed remains the same. Mr W had had use of the money so was still obliged to repay that amount, which I understand he did.

Mr W says he made contact with the business prior to 9 August 2019 but Satsuma's contact records don't show this happened. Mr W hasn't provided any evidence to show he made an earlier phone call, but I do accept that this may be an error in either party's records. But as I don't have any evidence to consider, I can't make any finding on this other than I do accept Mr W may have called at an earlier point than recorded by Satsuma.

Overall, while I accept it wasn't ideal for Mr W to have not been able to open the email link with the signed agreement, I don't agree this makes the loan unenforceable. Satsuma has apologised for this. And for the second part of Mr W's complaint, I'm satisfied the early repayment quote was calculated in line with the agreed terms and conditions, and regulations in place.

I appreciate Mr W will be disappointed with the outcome of his complaint. But I hope I have been able to explain how I've reached my decision.

My final decision

For the reasons given above, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12August2020.

Catherine Langley
Ombudsman