

The complaint

Mr W is complaining Provident Personal Credit Limited didn't send him a copy of his fixed sum loan agreement after he entered into the agreement.

What happened

In August 2019 Mr W entered into a fixed sum loan agreement provided by Provident. He borrowed £900 to be paid back over 12 months. The total cost of credit over the 12 months was £892.80 so he had to pay back £1,792.80.

In November 2019 Mr W emailed Provident to say he was in financial difficulties and couldn't afford the monthly repayment. Provident responded and asked Mr W if he was able to pay his priority bills and it asked him to confirm his financial situation. Mr W responded to say he didn't have any spare money at that time and would need more time to pay the account.

In December 2019 Mr W complained that he didn't receive a copy of his credit agreement when he took out the finance, so he said he didn't know how much interest he was paying. He said he would have repaid the loan within 30 days had he been given a copy of the agreement.

Provident didn't uphold Mr W's complaint. It said it emailed him a copy of the agreement when it started. And it offered to send him another copy. It also highlighted the September payment was taken without issue. So it thought Mr W was aware how much he was paying per month.

Our adjudicator didn't uphold the complaint and said the following:

- He was satisfied Mr W would have consented to take out the loan when he first took it out;
- The loan agreement explained Mr W could withdraw from the agreement, so the adjudicator thought Mr W would have known about his withdrawal rights; and
- He was satisfied Provident had shown it did email Mr W a copy of his loan agreement when the loan was activated.

Mr W maintained the loan agreement wasn't sent to him until he asked for it in December 2019. He said he keeps all his emails, which is why he says he knows he didn't get the email. He maintains that he would have repaid the loan if he'd known how much it cost.

As Mr W didn't agree with the adjudicator, the complaint's been passed to me to decide.

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've decided to not uphold this complaint and I'll now explain why.

Mr W says Provident didn't tell him how much the loan would cost and he says he would have repaid it had it done so.

Provident has given me a copy of the online process Mr W would have followed when he applied and agreed to take out the loan. This shows that Provident would have set out key features of the finance agreement, in particular, the amount Mr W had borrowed (£900), the APR interest rate (315.7%), the monthly repayments (£149.40) and the total amount he would have to repay (1,792.80).

I think Provident should have also specifically set out the amount of interest payable. But it's clear Mr W wanted the loan and he would have seen the total amount he had to repay and the applicable interest rate. So I'm satisfied he would have had a reasonable understand of how much the loan would cost. And I think he would have still taken out the loan had Provident set out the cost of credit as well.

I note Mr W says Provident didn't send him a copy of his credit agreement, but I'm satisfied Provident's internal audit history shows it did do so. This would have been an automated process – i.e. the documents would have been automatically emailed to Mr W when he submitted his application and it was approved. And it would have sent them to the email address Mr W gave.

Ultimately, I'm satisfied Provident did take reasonable steps to make Mr W aware of how much the loan would cost and he still chose to take the loan out.

I also note Mr W said to the adjudicator, in response to his opinion, that he didn't feel the loan was affordable. But this didn't form part of the original complaint he raised with this service and I can't see that he's raised this complaint with Provident before. So I haven't considered this in this decision. Mr W will need to raise this issue with Provident first if he wishes to take that further.

My final decision

For the reasons I've set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 July 2021.

Guy Mitchell

Ombudsman