

The complaint

Mr B has complained about an administration matter related to a short-term loan he took out in 2016 with Provident Personal Credit Limited, trading at the time as “Satsuma”.

He says Satsuma incorrectly applied a ‘default’ on his credit file in relation to this borrowing.

What happened

One of our adjudicators has already told Mr B they didn’t think we should uphold his complaint. Mr B doesn’t agree and has asked for an ombudsman’s decision.

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. I’ve followed this approach when thinking about Mr B’s complaint.

There’s no dispute Mr B had substantial problems in paying back the loan he had taken out. I can see, for example, that he almost immediately began to either not pay (or only pay some of) the agreed repayments.

Satsuma has also already agreed that it initially recorded a default on the loan as being from December 2017 due to an administration error. However, I think it’s fair to say this was a relatively minor issue, as it was later amended to show the default from January 2018. From what I can see this change has been implemented and it has been reflected on Mr B’s credit file.

Mr B says he wasn’t aware Satsuma had sent him notice telling him of being in default. However, as I’ve said, there’s no dispute that he *was* in default and Satsuma seems to me to have sent the information out to him correctly at the contact details it previous used to get in touch with Mr B. I’m afraid I don’t find it likely that Mr B wouldn’t have been able to check quite easily what the situation was, given what he himself knew about his own financial situation

As I say, our adjudicator has already comprehensively explained these issues to Mr B. I too have given them further thought and I’m sorry that Mr B has quite obviously been experiencing financial challenges.

But in this particular case, I don’t think Satsuma has done anything wrong. Satsuma seems to have applied the default information correctly and also been sympathetic of Mr B being in a debt management plan. I accept his point about much of this information being applied long after the event. However, it looks like Satsuma did try to work with Mr B to arrange payments he could afford to make, and I do think the delays Mr B speaks of are partly related to this desire to work with him.

I agree some of these actions may have affected Mr B's credit file, but Satsuma has the right to report defaults correctly to the credit reference agencies.

My final decision

For the reasons set out above, I don't uphold this complaint. And I don't direct Provident Personal Credit Limited to pay Mr B any compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 December 2020.

Michael Campbell
Ombudsman