

## **The complaint**

Mr K has complained that Provident Personal Credit Limited (trading as Satsuma) did not contact him about his arrears, which eventually led to his account being defaulted.

## **What happened**

Mr K took out one instalment loan of £600 on 2 February 2017. The loan was to be repaid in 12 monthly instalments of £99.60. It appears that Mr K had difficulties repaying his loan. The loan was later passed on to a third party with an outstanding balance.

One of our adjudicators looked at Mr K's complaint. The adjudicator thought that Satsuma had attempted to make contact with Mr K on a number of occasions. And that the default applied to Mr K's credit file was applied correctly.

It appears that Satsuma agreed with our adjudicator's opinion. Mr K disagreed saying he still hadn't been contacted by Satsuma and he didn't receive any emails or call.

As no agreement could be reached the complaint has been passed to me for a final 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.

I've also taken into account the law, any relevant regulatory rules and good industry practice whilst Mr K has held his loan.

When Mr K took this loan, he made his first two contractual repayments as agreed. His last full payment was on 1 May 2017. Subsequently, it seems that Mr K ran into difficulties meeting his full repayments.

Provident agreed an arrangement with Mr K on 27 June 2017 for him to pay a reduced amount of £20. The first payment of £20 was received in July 2017. But then it appears that Mr K ran into further difficulties meeting his arrangement as no further payments were made until October 2017. Mr K continued to pay £20 a month until December 2017. But then no further payments were received until it looks like payments restarted in May 2018.

Provident has provided this service with evidence to show us it sent Mr K an arrears notice and a statement of account on 2 September 2017, and 28 January 2018 respectively. And when Mr K didn't reply, it sent a default notice on 6 February 2018. At the time of the default, Mr K had not made his agreed repayments for two months.

Mr K has told us he has received no emails, phone calls or letters from Provident explaining his arrears. And that Provident defaulted his account without his knowledge. Mr K would like Provident to remove the default and to write off or discount his outstanding balance.

Provident has a duty to fairly and accurately report information about its customers to credit reference agencies. While Mr K says he wasn't aware of his arrears and that he forgot about the debt, this doesn't change the fact he wasn't meeting his contractual monthly repayments in-line with his loan agreement.

So, I think he should have been on notice that he owed Provident money based on the amount he borrowed and what he had repaid to them so far. Therefore, I don't think Provident was wrong to apply the default in the circumstances of this complaint – as it reflected how Mr K ran his account.

Mr K's account was clearly in arrears. He'd not made the contractual repayment for a number of months, and he'd had problems making the reduced repayments via the repayment plan. Before an account is defaulted, I have to be satisfied that the account was sufficiently in arrears for Provident to start this process. And, bearing in mind the statement of account, I'm satisfied that Mr K's account was at least six months in arrears. So, I don't think it was unreasonable that Provident took steps to default the account. After all, it hadn't heard from Mr K, so it wasn't unreasonable for it to think the relationship between itself and Mr K had broken down.

Provident has shown us that it sent out correspondence to Mr K's address informing him of the default and arrears. Although Mr K has said he didn't receive them, Provident's obligation is to show these letters were sent. On balance, given what I've seen in its system notes, I'm satisfied Provident sent these letters and, based on what I've seen, that it had the correct address for Mr K at the time.

Based on Provident's records, it also seems it held the same email address that Mr K provided this service as part of his complaint and based on what Mr K has told us, it seems it also held the correct mobile number for him. I can see Provident sent Mr K numerous texts and at least a couple of emails which would have likely informed him of the arrears on his account.

An outstanding balance remains for this loan that Mr K will need to arrange with the current owner of the debt.

Finally, I'm satisfied Provident has recorded credit file information correctly and I'm not asking it to do anything further. I appreciate that my findings are likely to disappoint Mr K. But I hope my explanation will help him understand why I've reached this conclusion.

### **My final decision**

For the reasons I've explained above, I'm not upholding Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 1 January 2021.

Robert Walker  
**Ombudsman**