

The complaint

Ms S says Provident Personal Credit Limited trading as Satsuma, has not administered her loan accounts correctly. Ms S has tried to arrange a repayment plan for her loans. She says she has not been able to do this due to the actions of Satsuma. And she also says Satsuma has deliberately misrepresented this situation and misled her, alongside providing poor customer service throughout. Ms S would like significant compensation for Satsuma's errors.

Ms S is represented by a third party.

What happened

This complaint is about two instalment loans Satsuma provided to Ms S. Ms S made an irresponsible lending complaint about these loans. Ms S couldn't reach agreement with Satsuma and she brought this complaint to the Financial Ombudsman Service.

Ms S was awarded compensation by an ombudsman in respect of the sale of loan 2. After the compensation calculation was made Ms S still had an outstanding balance to repay. Ms S' new complaint concerns Satsuma's actions, or its inactions, when they were both trying to arrange the repayment of this outstanding balance.

Satsuma has considered Ms S' second complaint. In its Final Response letter, it said, in summary, that it has contacted Ms S a reasonable amount of times. It hadn't caused any delays or prevented Ms S from starting a repayment plan. So, it didn't uphold her second complaint.

This second complaint was brought to this Service and our adjudicator also didn't uphold it. He said he had reviewed the information both sides had provided about the contact Ms S has had with Satsuma after the earlier final decision. He didn't find that Satsuma had acted unreasonably or delayed responding to Ms S' correspondence. He also didn't find any persuasive evidence that Satsuma had misled Ms S or misrepresented the situation.

Ms S disagreed with the adjudicator's opinion for the same reasons that she had made when she complained. As no agreement has been reached the complaint has been passed to me.

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 irresponsible lending – including all of the relevant rules, guidance and good industry practice – on our website.

I'll firstly say that I have a statutory duty to be impartial when looking at a complaint. So, I don't act on behalf of Satsuma or Ms S. And whilst I can make a compensation award this shouldn't be on the basis that it is to 'punish' a business. It is to put things right, as far as possible, where they have gone wrong due to mistakes made by the business. And lastly, I must look at each complaint individually, so whilst I can consider the individual

circumstances of this complaint it isn't my role to consider the issues Ms S' representative has raised about Satsuma's wider business practices.

I've been provided a copy of the email correspondence between Ms S and Satsuma that took place after the final decision that I have referred to above. And Ms S' representative has provided detailed commentary on the contact between them both, and why this matter is not resolved. I've reviewed these documents alongside everything else I have been provided. I won't comment in detail on either of these documents as both parties to the complaint are fully aware of them.

But having looked at Ms S' complaint I don't think it should succeed. I will outline the reasons why below.

Having looked at the timings of the correspondence I think it's reasonable to say that, whilst both sides have been corresponding about this issue for some time, I haven't seen any material delay by either party. There have been some shorter delays at times, but I don't think these led to a repayment plan not being agreed.

I've gone on to look at why a repayment plan was not put in place. It's relevant to say that the decision Ms S has received about irresponsible lending (her first complaint), and which she accepted, said that Ms S should receive compensation for loan 2 only. The ombudsman made no award in respect of loan 1. So Ms S would need to repay any outstanding capital and interest for loan 1, and any outstanding capital for loan 2. There would be no adjustments made to the credit file for loan 1 and only adverse information would be removed from loan 2. This settlement is now legally binding on both parties and I cannot revisit it.

But looking at the email correspondence it seems reasonable to say that Ms S wanted to proceed on a different basis to this. In her email straight after the earlier decision she asked that Satsuma revisit the mis-selling complaint on loan 1. She also requested both loans were removed from her credit file. And in the subsequent emails she made an offer to make repayments to loan 2 only and then to loan 1, after loan 2 was repaid. I can see Ms S made alternative suggestions in time, but they haven't significantly departed from this.

Satsuma didn't agree to these repayment terms. And it did inform Ms S of this. And having looked at why it didn't accept the repayment plan terms Ms S offered this I don't think it has acted unreasonably. In fact, it would have been acting contrary to the legally binding settlement that has already been reached if it had accepted them.

So, overall, I don't think Satsuma has acted incorrectly here. Nor do I think it has misrepresented the position or provided any false information. And I don't think it's reasonable to say that any delay in the setting up of the repayment plans is solely due to Satsuma's actions. So I'm not upholding Ms S' complaint.

It remains that Satsuma needs to implement the compensation an ombudsman awarded on Ms S first complaint (the one about irresponsible lending). And in doing this it may need to arrange a repayment plan with Ms S. I would remind Satsuma that it should treat Ms S fairly when it does this.

And whilst this is the case Ms S should be aware that if she isn't able to enter into a repayment plan then this may adversely affect the information credit reference agencies hold about her going forward.

My final decision

For the reasons set out above, I don't uphold Ms S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 19 April 2021.

Andy Burlinson
Ombudsman