

The complaint

Mr T complains that Provident Personal Credit Limited has handled his account poorly and caused him distress, by sending texts and letters relating to the payment reminders for the third loan.

Mr T also complains about his private and personal details being 'sold' to third parties.

What happened

Using information from Provident I have created a brief loan table to give some background to the complaint.

Loan	Approved	Amount	Repayments	repaid
1	12 November 2018	£100	£11 x 13 weeks	Repaid early at end November 2018
2	12 April 2019	£150	£16.50 x 13 weeks	Repaid early 18 April 2019
3	21 August 2019	£500	£17.50 x 52 weeks	o/s

Provident's customer contact notes surrounding Mr T's credit accounts, plus Mr T's explanations to our adjudicators and investigators inform me that Mr T was complaining about being chased for payment from about March 2020. This continued and Mr T made a formal complaint to Provident.

He received Provident's acknowledgement of his complaint and a referral to this Service in a letter dated 17 June 2020. The final response letter (FRL) was sent later in or around June/July 2020 – that date is not clear. Provident in its FRL apologised that Mr T had found the correspondence between it and Mr T upsetting and said that it was not the intention. Provident summarised the position and said this:

- it is obliged by the Financial Conduct Authority (FCA) to contact a customer when their account is in arrears: this may be via letter, email, SMS or telephone.
- it is unable to stop this correspondence and contact being made to Mr T whilst the account is in arrears. Even if the account was up to date, Mr T would receive annual statements, it is legally obliged to send these also.
- Provident knew Mr T was withholding payments and in the FRL it said that this was not advisable as it may affect his credit file and ability to obtain credit.
- Provident referred Mr T to get more detailed information from the FCA's website, in particular the information about the Consumer Credit Act 1974.

Mr T referred his complaint to this Service on 22 June 2020. Mr T telephoned and spoke to one of our investigators on the phone. I have listened to that recorded call and it has given me a good sense of what it was that Mr T was not happy about.

One of our adjudicators reviewed the details received from both Mr T and Provident and he wrote to Mr T with his view of the complaint. He did not think that Provident needed to do anything to put things right. Here is a summary of what our adjudicator thought:

- he clarified some Consumer Credit Act 1974 legislation and FCA rules which give Provident the legal basis to send Mr T statements and – where required – write to Mr T to remind him about any arrears.
- some of the terms and conditions of the original loan agreement for loan 3 did include details about what would happen if there were missed payments.
- some of the terms and conditions of the original loan agreement for loan 3 included that data sharing would take place with third parties in a number of situations including collections of outstanding payments and the instruction of third party debt collection agencies.
- Provident had to act positively and sympathetically to Mr T when he was in arrears, but that Mr T also had to be reasonable with Provident to whom he owed money. Our adjudicator thought that Mr T had had opportunities to engage with Provident about paying the arrears and reducing the debt but that Mr T had made it clear he did not wish to engage.

Mr T was not content with that and has asked it was passed to me, one of the ombudsmen at the Service, for a 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.

The history of Mr T's relationship with Provident commenced in November 2018 with the approval of loan 1. This decision does not relate to the merits of those approval processes and so this is referred to as background only. Two further loans were approved and the table above gives brief details.

Five months into paying loan 3, in March 2020, the UK entered a pandemic lockdown and a raft of restrictions on people's movements and how they conducted their work or businesses came into force. So, one consequence appears to have been that the credit payments usually collected by a Provident agent at Mr T's home had to cease and Mr T requested, and was issued with, an All Pay Card. I know this from the Provident customer contact notes it has sent to us. It appears there was a delay in the card arriving and there is a note in the customer contact notes which records Mr T had said to Provident that when his benefits arrived on 27 April 2020 he would be able to pay his next instalment or instalments.

The situation developed during which time Mr T received text messages to remind him to make payment. Mr T's discussions with a Provident representative in which he says he does not want these text messages is noted in the Provident customer account notes as early as 16 March 2020. Mr T's first complaint seems to have been raised around 23 April 2020. It seems that the communications to remind him to pay or to chase him for late payment continued and relations between Mr T and Provident broke down.

I have read Mr T's comment to a Provident representative dated 5 May 2020 and that demonstrates how far this breakdown in relationship had gone. The 5 May 2020 account note read:

Customer has informed me he has no intention of making a payment until lockdown is over because he didn't appreciate being sent a text reminding him about his card payment.

And one on 5 June 2020:

Received further text communication from customer reinforcing that he won't pay anything again and is willing to be taken to court hm 05/06/20.

As mentioned earlier in this decision, Mr T received an acknowledgement of his complaint and a referral notice to this Service. It seems that the FRL was received later. This is not entirely clear but not much turns on that FRL date, but I mention it here for completeness.

So, Mr T referred his complaint to this Service on 22 June 2020. He did that by telephone and during that conversation Mr T explained his complaint to us, and he said that he felt he was being harassed by Provident. He said that the letters asking him for payment were too numerous. Our investigator established during that call that he was getting about three a week. Our investigator read to him what constituted harassment by a creditor. She did not think that Provident had done any of those things from what Mr T had been informing her.

Mr T said that he had a 100% track record with Provident up to the issues in March/April 2020 and I take that to mean he had paid well and regularly until then. From Mr T's comments during that call it appears he was looking to make a bargain with Provident. He explained that he had calculated he had paid £575 on a £500 loan and he had been told he owed it £335. He said that he would pay that sum as soon as it had dealt with his complaint. He was not willing to pay money to a company which he felt was threatening him.

This Service wrote to Provident on 22 June 2020, summarised Mr T's complaint and asked for its documents to start the investigation. We had to write again on 1 July 2020 and an acknowledgement was received by Provident saying that the 'file request' had been actioned.

Provident had written to Mr T on 14 August 2020 to say that his outstanding arrears were £335 and his account was being passed to Provident Central Collections. The letter invited Mr T to call it – gave the telephone number (a freephone number) and said it wished to agree an affordable repayment plan. Details of organisations offering him free and independent advice were given. Mr T was informed that his credit file would be affected.

Mr T received another letter from Provident dated 28 August 2020 saying a similar thing and this time saying that if the debt was not paid or a suitable repayment plan solution was not agreed it may have to pass the account to a debt collection agency.

On 11 September 2020 Mr T received a letter offering him a discounted settlement balance of £251 to settle the account.

On 23 September 2020 Mr T called Provident and told them he would not pay the arrears. The Provident notes state that he told the representative that he had sent his complaint to this Service and it asked for the 'FOS reference' but Mr T refused to give it. Mr T wanted to speak to a specific person. He was offered the opportunity for a manager to call him back but Mr T did not seem to be content with that.

On 25 September 2020 Mr T was informed by Provident by letter that it was going to refer the account to a third party collection agency unless he contacted them. And later there's reference to the 'DCA' – which I translate to mean the 'Debt Collection Agency' – and that Mr T's account was referred to it on 23 October 2020.

In January 2021 Mr T wrote to us to update us and said that he had received the debt collection agency letter and having contacted a person there and explained that this Service was dealing with a complaint, the representative at the collection agency said that no action would be taken until the complaint had been dealt with. I have seen a letter from that

collection agency to Mr T confirming that. I've seen recent correspondence between Mr T and that debt collection agency which says that the account has been passed back to Provident so it seems that they are no longer involved.

I think that Mr T was wrong to refuse to pay, and I think Provident has pursued a course of action which does *not* amount to what Mr T terms as harassment. I have evidence from Provident that it suppressed the sending of texts and letters on several occasions to reduce the level of contact with Mr T when asking for payment. I don't think that's unreasonable and I don't think that Mr T can expect not to be chased for payment when he is many weeks or months in arrears. Bringing a complaint to this Service doesn't automatically shield him from the obligation to pay the debt. And I can see that matters escalated during 2020 which indicates that still Mr T was not willing to enter any repayment plan or come to a compromise about the money owed. Mr T's pursuit of the complaint and refusal to pay has been documented and was not likely to assist in the reaching of any resolution.

My decision findings are:

- I do not think that Provident has harassed Mr T; and
- Mr T is under a legal obligation to repay the loan; and
- considering Mr T's refusal to pay then I do not think its fair or reasonable to ask Provident to pay him any compensation when I think, on the evidence I have, it has followed a correct course of action in relation to the arrears.

I do not uphold Mr T's complaint and I remind Provident of its need to be positive and sympathetic towards Mr T when approaching him about the debt. I note that Provident offered him an early settlement balance in September 2020 and to offer that again might be a way forward to close the matter. But that is a matter between Provident and Mr T.

Concerns relating to data

Mr T's concerns about the third party debt collection agency having his personal details has been answered by our adjudicator. He sent to Mr T a duplication of the loan agreement terms and conditions - Provident was able to instruct that third party in view of the arrears situation. I think that Provident was acting in accordance with the contractual terms between Mr T and Provident.

So, I make no finding or decision in relation to any alleged data breach. If Mr T wishes to have a formal assessment relating to what he may consider a data breach (either against Provident or the debt collection agency) then he will need to refer that to the Information Commissioner at the Information Commissioner's Office. Determinations on any alleged data breach are outside the jurisdiction of this Service.

Recent comments relating to 'never being contacted again'

Considering my previous findings that Provident has done nothing wrong, then I make no additional findings in relation to this relatively new element of Mr T's complaint.

My final decision

My final decision is that I do not uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 2 June 2021.

Rachael Williams
Ombudsman