

## **The complaint**

Mrs H says Provident Personal Credit Limited hasn't administered her loan correctly. Mrs H says that:

- The payment information Provident has is not correct. The payments she has made have not been properly applied to her loan, so she owes less than what Provident says she does.
- It is showing on her credit report that she has missed payments. This is not correct as she has been in an arrangement to pay and has had payment waivers.
- Provident didn't properly correct her credit file when it said it would.
- Provident didn't inform her that the loans were being transferred to a third-party collection agent.

All of these issues have caused her distress, inconvenience and negatively impacted her ability to get credit and other financial support. She feels she should receive compensation for this.

## **What happened**

Mrs H has taken 13 loans with Provident. I understand this complaint only concerns the last two loans she took and which remain on her credit report. Some of the information I have been provided about this lending is below:

- Loan 12 (ending in 699) was started on 12 January 2012 for £1,000.
- Loan 13 (ending in 799) was taken on 28 September 2012 for £1,000.

Loan 13 is still outstanding.

Provident initially considered Mrs H's complaint and partly upheld it. It said that it was unable to verify what had been discussed with its agent about any waiver of payments. But it agreed to update her credit file to show that the loans were in an arrangement to pay rather than that payments had been missed. It acknowledged that it should have informed Mrs H that her account was being transferred to a collection agent.

Mrs H remained unsatisfied and brought her complaint to this service

One of our adjudicators looked at the complaint. He agreed that Provident could have done better. But he felt that it should put things right in a different way. He thought it should:

- Remove all of the late payment markers from Mrs H's credit file.
- Bring the account back from the third-party collection agency and pay her £100 for the upset not informing her it was being transferred to a collection agent caused her.

- It was reasonable to assume that Mrs H has made the payments she said she had, and Provident didn't have complete payment records, so her outstanding account balance should be reduced by £300.

Provident agreed this was a reasonable way to resolve the complaint. Mrs H initially accepted this outcome but there was some further correspondence about the treatment of her credit file. And she also then thought the compensation should be higher. Provident didn't agree to increase the amount it should pay.

This dispute was passed to a second adjudicator. This adjudicator also upheld the complaint. She said that:

- Provident's offer to remove any missed payment markers about loans 699 and 799 from Mrs H's credit report for the period of July 2020 to January 2021 (the period over which the complaint was about) was reasonable.
- As it couldn't be reasonably established what Mrs H had paid Provident's agreement to reduce her outstanding loan balance by £300 was also reasonable
- Overall, largely because it hadn't been clear after the first adjudicator's opinion, she thought it was fair to award £200 (a further £100) compensation for the distress and inconvenience the problems with her loans had caused Mrs H.

I understand that Provident has now amended Mrs H's credit file, reduced her loan balance by £300, and paid £100 compensation for any trouble and upset these issues have caused her.

Mrs H disagreed with the adjudicator's opinion. She said that she thought as it was clear what she had paid and so the whole of the loan balance should be written off. And the compensation award for the distress and inconvenience she has been caused should be far higher.

And Provident also requested that an ombudsman consider the complaint, but it didn't raise any further issues.

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've read all of the correspondence about this complaint and I understand Mrs H's strong feelings on this issue. It's also clear that Provident doesn't entirely agree with the approach we have taken here. But, I'm not going to change the outcome we have reached. I hope this doesn't cause any further distress and that my explanations are helpful to both parties.

Both sides have agreed that any missed payment markers should be removed from Mrs H's credit file for the loans ending in 699 and 799 over the period of July 2020 to January 2021. I agree this is reasonable and I won't comment further on this issue.

Turning to the outstanding balance on the loan ending in 799. Mrs H says that she made payments to her loan which weren't credited. This is because the agent only credited

payment for her husband's loans rather than for both of them. Mrs H says payments were made to both loans at the same time.

Whilst I don't disbelieve what Mrs H says, she hasn't been able to provide any further evidence that she did make the repayments. Provident also hasn't been able to provide its local branch records to confirm what was, or wasn't, repaid. So, I can't say for certain what the loan balance should be.

But due to the conversations between the first adjudicator, Mrs H and Provident a balance reduction of £300 was agreed. Having thought about all of the above, and having read these communications, I think it's fair to reduce the loan balance by £300. I don't think the loan should be written off.

It's clear that these issues have caused Mrs H some trouble and upset. And Provident has acknowledged that it could have done better in the way it has communicated with her. In particular it didn't take the steps it had agreed to take very quickly, and it could've been clearer in the way it communicated with Mrs H. She has received communications from a number of third-party collection agencies which would've been confusing and upsetting, given the ongoing complaint.

That said Provident is entitled to request repayment of the amounts it has lent. And Mrs H has been in arrears with these repayments for a significant length of time. Having thought about all of these things I think the £200 compensation award is fair.

Lastly, I would remind Provident of its responsibility to treat Mrs H fairly going forward.

### **Putting things right**

If it hasn't taken the steps below it should so now. These are total amounts, for example if Provident has already paid £100 compensation it only needs to pay £100 now. Provident doesn't have to do, or pay, anything twice, if it has already taken the steps below:

- Pay £200 compensation directly to Mrs H.
- Ensure any missed payments about any of Mrs H's loans for the period of July 2020 to January 2021 are removed from her credit file.
- Reduce her outstanding loan balance by £300.

### **My final decision**

For the reasons I've explained, I partly uphold Mrs H's complaint. Provident Personal Credit Limited should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 4 October 2021.

Andy Burlinson  
**Ombudsman**