

## The complaint

Mr Q complains that Provident Personal Credit Limited, trading as Satsuma Loans, hasn't correctly paid the compensation that was agreed in an earlier complaint.

Mr Q says that this has led to his credit report incorrectly showing that he still owes money on one of his loans. And a default has also been incorrectly added to his credit file for this loan.

## What happened

Mr Q has been provided with eight loans from Satsuma. He has made a complaint that these loans were lent irresponsibly to him. This complaint has been considered as a separate issue by this Service and Satsuma. It was upheld by one of our adjudicator's and Satsuma agreed to pay compensation. Mr Q accepted this compensation as a reasonable way to resolve his complaint.

Our adjudicator recommended, and Satsuma agreed to pay compensation, in respect of loans 4, 5, 7 and 8. She didn't think that compensation should be paid in respect of loans 1 to 3 and loan 6. I won't revisit this aspect of Mr Q's complaint as it's reasonable to say it was resolved earlier. Mr Q's new complaint is about the outstanding amounts, and information on his credit report, in respect of loan 6 only.

Loan 6 was started in July 2017. Mr Q was unable to make the contractual repayments and he fell into arrears on this loan. A notice of default letter was sent to Mr Q on 2 July 2018. Mr Q and Satsuma attempted to arrange a repayment plan for this loan, however, as far as I can see, Mr Q was also unable to repay the agreed amounts due through his repayment plan. This loan was defaulted on 22 August 2018. I understand Mr Q still owes around £394. Information on the arrears and default have been reported to the credit reference agencies that Satsuma reports to.

Satsuma has looked at Mr Q's second complaint. It says it has adhered to the agreed compensation. As loan 6 was not included in this it has not reduced the amount he owes to this loan or amended the information it has reported to the credit reference agencies. The earlier compensation wasn't enough to reduce the amount Mr Q owed on loan 6.

It did say that it should have responded to some of Mr Q's emails quicker than it did. Because of this it reduced the outstanding balance of loan 6 by £50.

Our adjudicator didn't uphold this second complaint. He said that Satsuma had implemented the agreed compensation for all of the loans that were upheld. And as an outstanding balance remained on loan 6 it was reasonable for Satsuma to try and recover these amounts. And it was also reasonable to report the loan arrears and the default to the credit reference agencies.

Mr Q didn't agree with this. He thought that the loan should be written off due to Satsuma's errors. 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.

As I've said above Mr Q's mis selling complaint has been considered by both Satsuma and this Service. As far as I can see the agreed compensation has been calculated and paid to Mr Q. So, Satsuma hasn't acted incorrectly in this respect. As loan 6 was not upheld Satsuma didn't need to make an adjustment to the credit file.

This compensation left an outstanding balance on loan 6. The evidence I have seen shows that Mr Q has been unable to repay this lending. This has been reported to the credit reference agencies, and a default has been recorded against this loan.

Unless a correction is needed (for example due to the outcome of a mis-selling complaint), then Satsuma has to accurately report how a loan has been repaid. The evidence I have, indicates to me that Satsuma has done this, and I also don't think it has acted incorrectly in doing so.

As has been established Satsuma could have responded in a timelier manner to one of Mr Q's emails. But I think the loan balance reduction it has paid is reasonable compensation for this. I don't think Satsuma should do anything more.

Overall, I'm not upholding Mr Q's new complaint.

I can see Mr Q feels very strongly about the issues he has raised. And I'm sure my decision will not be what he wants to hear. But I hope it doesn't cause him any distress and that he finds my explanation helpful.

## **My final decision**

For the reasons set out above, I don't uphold Mr Q's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 10 December 2021.

Andy Burlinson  
**Ombudsman**