

## **The complaint**

Mr V complains that Provident Personal Credit Limited, trading as a Satsuma, treated him poorly. It called him a lot when he was in arrears, a default was applied to his credit file which he thinks was unfair. Added to which Mr V considers that the repayment plan sum he offered to Satsuma was not accepted whereas the payment plan the third party (debt collector) accepted was that sum he had originally offered. He finds this puzzling.

## **What happened**

Mr V was approved for a loan of £800 on 17 May 2015 with scheduled repayments of just over £126 a month for 12 months. Mr V was made redundant around August 2015 and records from Satsuma show that he told them he had no job and was now accepting a carers allowance and not able to make the £126 a month repayments. Satsuma's records show that Mr V was on a £1 repayment plan from 5 August 2016.

The Default Notice was issued on 21 May 2016. Satsuma has told us that the letter explained to Mr V that if the arrears were not brought up to date within the next 28 days, the default would be applied.

Satsuma's final response letter made it clear to Mr V that it did not uphold that part of his complaint about the repayment plans. As for the default, its investigations had revealed that it had entered the default date incorrectly and said it was going to amend it to the correct date. It has said:

*As we are recording the default dates incorrectly, ... however, I will not remove the default entirely. I will, instead, arrange to amend the date the account defaulted to 4 July 2016*

One of our adjudicators looked at the complaint and felt that Satsuma had acted in a correct manner and she did not feel it had done anything wrong.

Mr V telephoned our adjudicator to add to the complaint to say that he felt bullied and bombarded with calls about the debt and felt this was particularly poor behaviour by Satsuma due to him being a carer to his mother.

The unresolved complaint was passed to me to decide.

## **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.

Dealing with that last part first – that relating to Mr V's contention he felt bullied and that Satsuma's calls were inappropriate - I have very little evidence about that part and I do not think that Satsuma has been afforded an opportunity to investigate the allegation of bullying and inappropriate behaviour towards Mr V. So, I make no findings on that part and Mr V will have to raise a fresh complaint to be investigated separately. The final response letter from

Satsuma does not cover this complaint point as it was not informed of it.

In relation to the repayment plans, looking at the account notes its clear that the £1 repayment was because Mr V's '*income and expenditure*' (I&E) assessment in July 2016 meant that was all Satsuma decided he could afford. Mr V's complaint seems to be that when the debt was passed to a third party debt collector that party was content to accept £5 a month. Mr V finds this a reason to complain.

I fail to see the loss encountered by Mr V if Satsuma was content to accept a smaller sum of £1 when Mr V was experiencing hardship. £1 a month was less than the third party's requirement of £5 a month. Further, for Satsuma to have carried out a I&E assessment, recognise that Mr V could only afford £1 and then ask for £5 would have been wrong, but it did not do that. I do not uphold this part of Mr V's complaint.

Between 7 March 2016 when Mr V paid £10, to 5 August 2016 when Satsuma's records show that Mr V started to pay £1 a month, no payments were received by Satsuma. And from September 2015 to August 2016 no resolution appeared to be found between the parties. And the telephone account notes I have reviewed show me that Mr V consistently said he was not able to make the contractual payments but did not seem able to talk to discuss the way forward. Satsuma has told us that the account was defaulted in July 2016 and that seems to fit with the fact that Mr V then started to pay £1 a month soon after that.

In April 2017 the account was transferred to a debt recovery agent and it started to collect £5 each month and this looks to have continued until January 2021 when a lump sum was paid to it to clear the balance. The account seems to show a zero balance now.

Mr V has got it wrong that the default was wrongly applied. Satsuma had received hardly any payments for months and had received £10 in March 2016 and then no further arrangements were in place until August 2016. I consider that enough time was afforded to Mr V to address the problem.

And I accept Satsuma's explanation that there was no link between the £1 payment, the £5 arrangement and the default notice.

Satsuma has said it realised it had reported the incorrect date and so was going to correct it to 4 July 2016. Satsuma may already have corrected that.

And as Mr V is aware, the default remains on his credit file for six years and so is due to be deleted from his credit file in a few weeks through the passage of time.

I do not uphold Mr V's complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 19 April 2022.

Rachael Williams

**Ombudsman**