

The complaint

Mr H complains that Provident Personal Credit Limited has mis-managed his loan accounts for several reasons. And Mr H says that his credit file ought to be corrected to remove several years of adverse '*markers*'.

What happened

Using information I have been sent from Provident, here is a brief loan table for some of Mr H's loans which I think will assist to place matters and events into context. I have used the original credit agreements which have been sent to me plus later details from Provident's account notes and statements of account.

Mr H had four earlier loans but I have not included them here as they are not relevant to this complaint but I mention them for completeness so that Mr H knows I am aware of the lending history between him and Provident.

Loan	Approved (scheduled end date)	Amount and term	Original Cost each week	Arrears/missed payments	Repaid
*9509 Loan 5	26 February 2016 (late February 2017)	£1,000 over 52 weeks	£35	Account Notes say – arrears letters for loans 6 and 7 were sent to Mr H in November 2016 - sporadic payments made after January & February 2017 – one payment to the representative on 30 May 2017 then no payments - loans 5, 6 & 7 all passed to Provident Central Collections (PCC) on 30 August 2017	3 April 2018
*9608 Loan 6	27 September 2016 (around April 2017)	£1,500 over 63 weeks	£45		22 June 2021
*0331 Loan 7	24 October 2016 (around April 2018)	£760 over 78 weeks	£19.76		22 June 2021

Mr H complains that Provident got it wrong in relation to its handling of his credit file information for loans 5, 6 and 7. He maintains that he was always informed by Provident (and, he says, it was subsequently confirmed) that when his loans had been paid off his '*credit score would be sorted out*' and/or the adverse information on his credit file would be '*erased*'.

An additional complaint point is that Mr H says his credit file shows many *'missed payments'* rather than *'Arrangements to Pay'* markers going back several years. He says that the credit reference agency check he did about his credit file information shows two missed payments every month for the past few years and that translates into 24 *'bad marks every year'*. Mr H has not sent to us any credit file copies or copies of any searches to show this and we only have information from Provident's investigations.

Mr H has said that Loan 5 has had incorrect credit file information reported against it. It was paid off in April 2018. In June 2021 Mr H had a telephone conversation with a Provident representative after which the credit file amendments for loan 5 were done.

In the 18 June 2021 final response to his recent complaint then Provident accepted various points and reduced his balance by £150. After that he cleared the outstanding balance (22 June 2021) and he owes it nothing now.

He has complained to Provident about several issues over the years but the current one with this Service is summarised in Provident's final response letter from June 2021:

- *'Your credit file not being amended as promised on a previous complaint.*
- *Your credit file not reflecting the arrangement you are in with Provident Central Collections (PCC).*
- *Being informed that all of your arrears would be removed once the loans are paid in full.'*

Mr H told Provident that the resolution he wanted was:

'Customer wants his credit file to be amended as he's not missed a payment, and wants confirmation that his credit file will fully be sorted when he's cleared the balance'

Mr H has explained that several years ago, in 2017, he made a complaint about the Provident representative being unavailable for collections and/or his shift work not matching the representative's working hours and so that made it difficult to pay in person. And notes I have from Provident tell me that the representatives were not available for Mr H in loan repayment weeks 26, 30 and 34. This I refer to in this decision as *the 'missed collections'* part of Mr H's complaint history.

My reading of all the information provided suggests that loans 5, 6 and 7 were transferred to the Provident Central Collections (PCC) in August 2017. And later, Mr H entered an arrangement to pay using a Continuous Payment Authority (CPA) from around December 2018 or January 2019 for loans 6 and 7. This looks to have been for £60 each month.

Mr H complained in June 2021 that his credit file showed a lot of *'missed payments'* which he thinks was wrong. And he also reiterated his firm view that once the loans had been repaid then all his *'bad markers'* on his credit file would be removed or *'sorted'* by Provident.

This led to Provident issuing a final response letter (FRL) that same month – June 2021.

Provident upheld most of Mr H's points and came up with a resolution and actioned some points to put things right for Mr H. These are summarised in the next few paragraphs.

Provident said that it had looked at what had happened in 2016 (the missed collections complaint) and it referred to its original final response letter (FRL) for that complaint from 2017 and duplicated that outcome in its June 2021 FRL.

I've read that. Provident determined through its research of its records that it had agreed it would amend the part of Mr H's credit file relating to the missed collections complaint when the loans had been paid off. Its clearer to duplicate here the extract from the 2017 FRL which had been inserted into the June 2021 FRL as it covers several points:

'Regarding the late payments that have been shared on your credit file during this time, we will be in a position to amend this for you once your arrears have been cleared. In order for us to update your credit file you will need to contact us once the arrears on your account are brought up to date, or when you have settled your account. We will then arrange for the late payments applied during this time to be removed from your credit file. Please note that any information shared prior or after this period will remain unchanged. We are unfortunately unable to remove the late payment now due to the outstanding arrears on your account that have built up as a result of other missed payments.'

Another aspect the June 2021 FRL addressed was the fact that loan 5 was repaid in April 2018 and yet that element of the missed collections complaint which related to loan 5 was not addressed and that ought to have been done. Provident said it would put that right for loan 5:

'I have referred this to the relevant team who will amend your credit file, as the arrears marker was 1, this will be amended to 0 and no arrears should reflect on this loan. Please note it can take up to 60 days to reflect.'

The June 2021 FRL went on to say that the arrangement to pay for loans 6 and 7 ought to have been reflected on Mr H's credit file and it had not been and so Provident said it had arranged for that to be carried out. So, it accepted that the 'missed payments' markers ought to be altered to show 'arrangement to pay'.

Provident then explained further about loans 6 and 7:

'Once you have repaid the remaining two loans, please contact us and we can arrange for the credit file amendment. I have reviewed the system and can confirm this means arrears will still show, but just not as severe. As an example, where your loan shows an arrears of 5, this will be reduced by 3 (in line with the 3 monthly collections that were previously missed) so the report will reflect 2.'

The June 2021 FRL also set out that part of Mr H's complaint Provident did not agree with which was Mr H's understanding that PCC had confirmed with Mr H that all arrears would be removed from his credit file once the loans had been repaid. The Provident complaints department had investigated and this was not what had been agreed. But Provident did accept that on at least one telephone call with a Provident representative this was not articulated as clearly as it could have been and so may have caused confusion.

Provident explained in the June 2021 FRL:

'Whilst the operator did not advise you that all the arrears would be removed, unfortunately they did not clarify the amendment would only be what the original complaint detailed above, not a full removal.'

'Although your Customer Representative (CR) did miss three collections, you did then fall further into arrears therefore it would not be correct to remove all the arrears. Your loans were taken in 2016 and went over the term by more than three months, and we are obligated to reflect accurate information.'

The June 2021 FRL ended as follows:

'For the reasons outlined above I am upholding your complaint. I am sorry for any trouble and upset we may have caused you.'

'By way of a further apology I have reduced your balance by £150.00 which can take up to 14 working days to reflect.'

Mr H's balance was reduced and then he chose to pay all the outstanding sums and so he owes Provident nothing.

Mr H referred his complaint to this Service.

Our adjudicator looked at the complaint and did not consider that Provident needed to do more and so he did not uphold Mr H's complaint.

Mr H was not content and so it was referred to me 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.

Mr H has not sent to us any copy documentation to demonstrate his concerns and so I have relied on the notes and documents sent to us by Provident as it has sent to us its investigation notes including records and extracts of details surrounding the original 'missed collections' complaint. Mr H's main concerns seem to emanate from that first complaint to Provident in or around 2017. I have not reconsidered that 2017 complaint – I have used the resolutions reached then as information pertinent to answer Mr H's concerns now.

In order fully to understand Mr H's complaint and his concerns, I have listened to all the recorded calls between Mr H and our adjudicators since he referred his complaint to this Service. I have gathered that the main issues which concern Mr H relate to the original '*missed collections*' complaint following which Mr H holds a firm view that the whole of his credit file was going to be '*sorted*' when the loans were repaid. And the other issue about which Mr H feels strongly was that the arrangement to pay had not been recorded on his credit file – but it showed lots of '*missed payments*'.

Provident has accepted that the arrangements to pay had not been recorded on Mr H's credit file, has upheld that part of his complaint and has undertaken to put it right. If that has not been done yet then Provident must do that. I can't be sure that it's been done (or done correctly) because we don't have a copy of Mr H's credit file. I've relied on what B has said – that the credit file has been updated. But on this part of his complaint I need not look into it further as Provident has agreed to put things right.

Provident has also agreed to amend Mr H's credit file in relation to Loan 5 and accepts that ought to have been done earlier.

These elements of Mr H's complaint have been resolved and I need not look into those further.

So, it leaves me with Mr H's main issue which, according to Mr H, was that Provident had always led him to believe that his credit file would be completely cleared of all arrears and bad markings once he'd repaid the loans.

Mr H has explained to our adjudicators, and which I have heard on the recorded calls, that because of the weeks in which the Provident representative did not come to collect the payments in 2017, adverse entries to his credit file relating to some of those missed payments were made. Mr H says that he was led to believe that once the loans were repaid his *'credit score would be sorted out'*. He understood that to mean the whole of the bad marks would be removed or erased.

Mr H has also explained to our adjudicators that if he had known that his credit file was not going to be made good at the end, then he would have paid off the outstanding loans earlier. He explained that he had spent about £16,000 on an international family holiday in 2019 and he had the means to pay off the loans. He maintains he chose not to and to remain on the payment plan because he understood that the credit file was due to be amended and made good at the end.

Provident has demonstrated by citing its 2017 FRL (from the original 'missed collections' complaint) that this was not what was offered or agreed. I have set it out in full on page 3 of this decision and I repeat some of it here – *'We will then arrange for the late payments applied during this time to be removed from your credit file. Please note that any information shared prior or after this period will remain unchanged. We are unfortunately unable to remove the late payment now due to the outstanding arrears on your account that have built up as a result of other missed payments.'*

Provident was clear in 2017. And having considered it carefully that does appear to have been a fair resolution. It's not likely that due to a representative's non-attendance in or around 2017 over three weeks that Provident would agree to eradicate all past and future poor credit file history. I think that would have been disproportionate and I think it unlikely it was the agreed resolution at the time. And reading the extract from the 2017 FRL I think that the outcome was clear – just those credit file missed payments relating to the missed collections complaint were due to be corrected – not all the adverse entries.

And reviewing Mr H's payment history from the statements of account provided to me by Provident it does seem that Mr H was in arrears for a large part of 2017 until the accounts were passed to PCC. My view is that most of these arrears did not stem from the missed collections events. I think that Mr H had built up arrears before and since those missed collections events. And an arrangement to pay would have been agreed between Mr H and Provident in order to assist Mr H and likely because of the persistent arrears and/or additional missed payments when the loans were with PCC. So although Mr H may think that he was placed on the payment plan it would have been a mutually agreed plan and likely renewed periodically.

It is unfortunate that at least one of the Provident representatives Mr H has spoken to on the telephone in the past was not as clear as they ought to have been when addressing this credit file correction. And Provident have accepted that what was said was likely not detailed enough and may have caused confusion.

But I have considered this very carefully and thought about the likelihood that Mr H, having got the means to repay the loans in 2019 (an possibly earlier), chose to stay on the payment plan in order to pay off the loan slowly when all the time he was concerned about his credit file being *'sorted'* at the end. Mr H has said that he has been in an insolvency arrangement in the past and he knows how important good credit scores are for him. And I have seen from Provident's notes that he received many letters or communications for loans 6 and 7 about late payments and arrears over the years. So, I find it unusual that Mr H had not noticed these *'bad markers'* before and had not chosen to pay off the loans as soon as possible.

And even if I am wrong that Mr H had money which he could have used to repay the loans in 2019 (Mr H has not sent us any copy documentation or statements to show this) then still I am aware that the 2017 FRL was clear on what Provident had told him it would do when the arrears were cleared or the loans repaid. So I do not uphold this part of Mr H's complaint.

Considering all the explanations and details Mr H has given to us and which I have listened on the recorded calls with our Service, I think that the June 2021 resolution and the action points Provident has carried out already, or is prepared to do, is enough. It seems to be the fair and reasonable outcome based on the wording in the 2017 FRL (cited in the June 2021 FRL). And considering all elements it seems an equitable outcome. Anything else seems to have been based on an expectation by Mr H which was not what was agreed.

In the circumstances I consider that there is nothing further I need ask Provident to do. But I do make it clear to Provident that it must carry out all that it has said it would do in the June 2021 FRL.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 February 2022.

Rachael Williams
Ombudsman