

## The complaint

Mr S complains that Provident Personal Credit Limited, trading as Satsuma Loans, did not manage his account correctly in that the letters it sent to him were not replied to and so Mr S says that Satsuma ought to have realised that and tried to contact him another way. Mr S says this led to him having a default on his credit file which he wants removed.

Mr S also complains that Satsuma should have alternative methods of allowing customers to change their personal details.

## What happened

In March 2019 Mr S was approved for a loan for £1,200 repayable in 12 monthly instalments of £199.20. Records provided by Satsuma show that Mr S' account with it was opened in January 2019 at which point his address was 'no 38' in a town in the west of England. Just before that between 2017 and January 2019 his address had been 'no 10' in a nearby town. Currently his address is in a city.

There came a point in 2020 where Mr S has explained that he lost his job and became homeless. He has told us that was between August 2020 and February 2021. Mr S has described how he contacted Satsuma to increase his repayment amounts for the loan to discover that this was nine days after a default notice had been imposed on him and he had known nothing about it.

Mr S cleared the balance of the account in June, July and August 2021.

Satsuma has summarised some of the facts relevant to my decision in its final response letter to Mr S and I set out that paragraph here for ease of reading:

*'On 9 April 2021, we sent you a Notice of Default which explained our intentions to register a default should you not take action in contacting us within the next 28 days. This Notice of Default letter would have detailed your arrears balance and the urgency for you to contact us. Prior to this letter, I can confirm we sent numerous text messages to you, for you to contact us. In addition, we also sent you arrears notices on 29 October 2019, 29 March 2020, 29 August 2020 and 29 January 2021 and an annual statement on 26 March 2021 which detailed your outstanding balance. Please note, it is a regulatory requirement to send these letters to last known address we hold. We are unable to send these letters by any other method other than post.'*

Mr S says that Satsuma did not do enough to contact him and now he says that the default registered on his credit file ought to be removed as it was not his fault.

He has explained to our adjudicator that he did try to inform Satsuma of his change of address but he could not find a way to do this on-line and has said that he thinks the only way he could have done it was using an alternative route to amending it on-line. He has criticised Satsuma for that and has said to us:

*'I wish to have the default statuses on my credit file overturned and removed due to the matter of circumstances of which I was unable to pay the loan being out of my personal Control. a matter I feel I should not be penalised for.'*

Our adjudicator asked both Mr S and Satsuma for more details and having reviewed it all, concluded that Satsuma had not done anything wrong. It had offered him time to repay and the fact that the formal arrears and Notice of Default letters had been sent to the address it had on its file for him was not unreasonable. So, she did not think she needed to ask Satsuma to remove the default.

Mr S disagreed. His issue is summarised as

*'Satsuma should've realised that there was an issue when there was no reply and should've made more of an effort to contact me via variable means.'*

And Mr S says that this led to him missing the letters and so he was unaware of the issue and so the default ought not to have been applied and it's not his fault.

The complaint remained unresolved and 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.

I've looked at all the details surrounding Mr S' complaint. And having reviewed the detailed account notes and the requirements imposed on lenders when approaching a customer for arrears, I do not think that Satsuma did anything incorrect.

The account notes show numerous dates when contact had been made between Mr S and Satsuma – precipitated by both parties and replied to regularly. These commenced in or around January 2019. And so that shows me that Mr S was clear on how to contact Satsuma and had done for many months (well over a year) before Mr S found himself in difficult circumstances. I was sorry to read about that.

On Mr S' own evidence he was not homeless in April 2021 when Satsuma issued him the Notice of Default. And he has demonstrated to me that he had been receiving texts from Satsuma reminding him to pay money to it. It seems that still he was in arrears even though he had been repaying a sum regularly.

The account notes I have seen indicate that Mr S' latest repayment plan was not kept to and so that repayment plan was removed. Having reviewed the approach Satsuma took in relation to the debt then this was not unreasonable and in line with the recommended approach for lending businesses.

And the fact that Mr S did not update Satsuma as to his address cannot be viewed as Satsuma's fault. I have seen that in January 2019 Mr S had informed Satsuma of his new address when he was living in towns in the west of England. And so, it seems likely that Mr S knew how to do it.

And the method Satsuma offers its customers to inform it of alterations to personal details is not a matter on which I can decide. It relates to internal Satsuma procedures and I say no more about this point.

When a default is going to be recorded, a lending business – such as Satsuma - has to send the notice to the address it holds on file for the customer. If that address is wrong because

the customer – here Mr S - hasn't updated it than that wouldn't be an error on the lending business' part. I do not think that Satsuma did anything wrong by sending the letters to the address it had for Mr S on file.

I have read and seen from Satsuma's records, that contact had been established early in the lending relationship, continued for many months and so Mr S knew how to contact Satsuma. The texts he has shown me he received from Satsuma clearly were asking him to log in to his account and I am aware from the earlier account notes that Mr S was used to telephoning Satsuma.

And we wouldn't expect Satsuma to contact its customer using alternative methods if it didn't get a response to its text or letters. Satsuma followed the rules about when the account defaulted in terms of notification and given that the repayment plan appears not to have been kept to by Mr S, the arrears on the account led to the default. So, I do not think that the issue lies with Satsuma.

I do not uphold Mr S' complaint. The debt has been repaid and Mr S' credit file will not be amended.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 February 2022.

Rachael Williams  
**Ombudsman**