

The complaint

Mr W complains that Provident Personal Credit Limited held him liable for a loan he didn't take out and that a County Court Judgment (CCJ) was registered in his name for it.

What happened

In 2010, a loan was taken out with Provident in Mr W's name. Eventually, in 2015, this loan was sold to a third party debt collection agent. In 2017, a CCJ was obtained against Mr W in relation to this loan.

In 2021, Mr W got in touch with Provident to say that he didn't take this loan out. He said that the impact of the CCJ had prevented him from starting up a new business and had a serious impact on his health and financial situation. Provident responded that it agreed that the loan was taken out fraudulently. It arranged for any outstanding balances to be 'written off' and for any references to the account to be removed, including those with credit reference agencies.

Mr W complained about this further and said that Provident hadn't taken into account the impact this situation had on him – in particular the CCJ. Provident responded to say that it didn't apply the CCJ itself and so wasn't responsible for this, but did offer £100 for the trouble and upset caused.

Mr W remained unhappy with this and brought his complaint to this service. Our investigator looked into this and said that given the fact that Provident had already accepted that Mr W hadn't applied for the loan and had taken actions to address this, all she could look at was whether the compensation offered was fair.

One of our investigators noted that Mr W had adverse credit information and another CCJ recorded in his name, all of which would have seriously affected his ability to access credit with other lenders. Given this, they felt that even if this loan with Provident wasn't taken out, it wouldn't have made a significant difference to his ability to gain credit.

Another of our investigators also looked at this and said that Provident only had access to very limited data because of the time that has passed since the loan was taken out. So there isn't enough information to say that Provident shouldn't ever have approved the loan here. Instead, Provident accepted Mr W's account of the situation and took steps based on that. So she didn't feel she could ask Provident to do any more here.

Mr W disagreed with this, so the complaint has been 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.

This loan was taken out in 2010 and so Provident has confirmed that the information it holds in relation to this is limited, given the time that's passed. That's not unusual, where the relevant rules and law around data say that a business shouldn't hold onto information like

this indefinitely. That means that Provident has been limited in what it could look at when investigating Mr W's complaint and it means this service is equally limited too.

But that doesn't mean that Provident should have ignored what Mr W's said just because the loan was taken out so long ago. I was pleased to see that it didn't. It took on board what he said about the loan, looked at the records it did have and made a decision that Mr W didn't take this out. Then it agreed to take the appropriate actions to make sure Mr W wasn't impacted by the loan any further. That's a pragmatic and fair way to deal with this situation.

Provident also offered Mr W £100 for the trouble and upset caused by this situation, but Mr W doesn't think this reflects the impact this had on him. So I need to decide whether Provident needs to do any more to resolve this complaint. But that's made difficult here because when looking at this impartially and being fair to both sides, there isn't enough information here for me to be sure that Provident acted incorrectly or unfairly at the point the loan was approved.

That said, Provident accepts that this loan wasn't taken out by Mr M. But even if I accept this as the starting position, it doesn't automatically mean that more compensation would be fair. We have to look at what the impact of a situation was in the individual circumstances of a complaint. Here, as our investigator has noted, Mr W has had a significant amount of adverse data recorded against him over the time since this loan was approved. The nature of this data means that he would always more likely than not have struggled to get further credit from lenders.

So, while I've considered all Mr W has said about his situation during this time – I can't say that Provident needs to do any more here. Even if I were to conclude that Provident acted wrongly when approving the loan – the information recorded about this wouldn't have been likely to have added to the problems Mr W would have faced in getting credit – given what was already recorded about him. So taking everything into account here – I'm satisfied that £100 is fair and reasonable in the circumstances.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 July 2022.

James Staples
Ombudsman