

complaint

Mr T complains that Provident Personal Credit Limited did not carry out weekly door collections for six weeks following a change of management. He says this put his account into arrears and he wants the outstanding loan balance written off and an apology for the inconvenience.

background

Mr T borrowed £400 from Provident on 5 August 2016. The loan, plus charges, was due to be repaid through weekly doorstep collections of £12 per week for 63 weeks. The collection process continued, with few issues, until July 2017 when Provident failed to collect the money from Mr T for six weeks. £12 payments resumed for the last two weeks of August 2017, but Mr T then paid £2 per week, and then £1 per week for the remainder of 2017. These lower repayments then continued into 2018 so that, by the beginning of May 2018, Mr T still owed £143.

Mr T complained to Provident on 11 August 2017 because he says an Early Settlement Balance (ESB) he was given by a previous agent was no longer available to him. He says it initially acknowledged his complaint on 16 August 2017 and, on 6 September 2017, it told him he should receive a response within 28 days. Provident finally sent its response on 7 December 2017, after a further three letters acknowledging the ongoing delay.

Provident responded to say that it couldn't see Mr T was given an ESB and it wouldn't be able to stand by an earlier ESB figure, as this changed on a daily basis due to interest. Therefore, it said, it was not upholding Mr T's complaint.

Mr T says this was not his complaint. He says the reason he was unable to pay the original ESB was because he'd had no doorstep collections for six weeks. He adds that he was aware that other customers had had the same issues with a lack of doorstep collections and had their loans written off.

Our investigator did not recommend the complaint should be upheld. She explained that, on balance, she didn't have enough evidence to say that Provident should allow Mr T to pay the lower ESB. She clarified that Provident had no information to show an agent had given Mr T a settlement figure and that ESBs change over time due to interest. She added that Mr T had also not shown he would have had the available funds to pay the ESB in early July 2017.

Mr T responded, in summary, to say, he did not provide a bank statement for July 2017 as the funds he was using to repay the loan were a gift and did not go through his bank account. He added that the only reason he didn't pay the ESB at the time was because Provident stopped visiting for six weeks. He says he considers that Provident are, therefore, in breach of contract.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Where the evidence is incomplete, or contradictory, as some of it is here, I must make my decision based on the balance of probabilities.

Mr T says that when the agent visited on 3 July 2017 he was given an ESB of £1,457 for all his loans, plus one belonging to his partner. I accept that Provident says it has no record of such a figure being given to Mr T, so I have considered whether I find that figure reasonable.

Provident says the ESB in early July 2017 would have been £1,060.24 for Mr T's four loans. When Mr T called on 11 August 2017, the equivalent figure was £1,131.08 and he also needed to pay £481.21 to settle his partner's account.

Mr T says that he had been given £1,500 on two prepaid credit cards to settle the original £1,457 ESB. However, as the new ESB came to £1,612.29 he couldn't then afford to settle all five loans. So, Mr T says he paid off his partner's loan and three of his four loans. He maintains that had the agent visited the week after giving him the original ESB he would have cleared all five loan accounts in full.

As the figure Mr T says he was quoted seems reasonable to me, I find it more likely than not that Mr T was indeed given an ESB when the agent visited in early July. I can only consider Mr T's accounts as part of this complaint, but I now need to decide whether I'm satisfied he had the funds available to repay all his loans the week after he was given the ESB figure.

Mr T says the money with which four of the loans were settled was a gift from his parents. He said the funds were loaded onto pre-paid credit cards so the money did not appear on his bank statements. However, Mr T has not yet provided any other evidence to show that the money was available to him in early July so I'm not satisfied he would have settled the loans had the agent called the week after Mr T was given the ESB.

I acknowledge that Mr T says that the lack of an agent visit for six weeks was a breach of contract, but I can't conclude that is the case. Mr T received no penalty for the missed payments and Provident offers alternative payment methods if required. I also acknowledge that Mr T says other Provident customers have had loans written off for similar reasons, but I can only consider each complaint on its individual merits.

In this case, although I find it likely that Mr T was indeed given an ESB on 3 July 2017, I'm not satisfied he would have settled the loans had the agent visited the following week. So I cannot conclude Provident should write off Mr T's outstanding loan.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 February 2019.

Amanda Williams
ombudsman