

## **complaint**

Miss M's complaint against Provident Personal Credit Limited ("Provident") is that it loaned to her irresponsibly on a repeat basis from 2011 to 2013.

## **background**

Miss M's complaint concerns doorstep loans sold to her by Provident from 2011 to 2013. She says that she had nineteen loans within 22 months, and that the lending was irresponsible.

To resolve matters she'd like a refund of all the interest and charges she paid, with interest.

Our investigator looked into matters, and obtained information from both Miss M and Provident. On the basis of this he concluded that Provident hadn't been irresponsible in its lending, and told Miss M he couldn't uphold her complaint.

Miss M didn't think this was fair. She explained that her financial problems existed before her relationship started with Provident in 2011; and that it was aware she was in a debt management plan at the time, and also that her partner was taking regular loans out.

She didn't think Provident had carried out proper credit checks, nor had it taken into account her true financial position when taking out the further loans; and that the reason the loans were granted, even when they weren't affordable, was for Provident's own commercial purposes.

Our investigator explained to Miss M that although he accepted she was already in debt when she took the Provident loans, this wasn't unusual as Provident specifically catered to the sub-prime market, for people generally unable to obtain credit elsewhere.

However, he was satisfied that Provident had made sufficient pre-credit checks on Miss M, and that the surplus income she confirmed she had each month didn't indicate the loans weren't affordable. He also said that Miss M's management of the loans had overall been very good, and that this too would have indicated to Provident that further borrowing was affordable for her.

Miss M disagreed. She said that her level of debt would have been clear from her credit checks, and that Provident should have realised her household monthly income (as it appeared from the figures it had) couldn't realistically have been the case. She maintained that both from her credit position, and her repeated borrowing from Provident, it would have been clear that she wasn't managing. And that if Provident had stopped lending to her sooner, her financial situation wouldn't have spiralled as it did.

Our investigator took into account each and all of Miss M's further submissions, but didn't think they changed matters. He remained of the view that Provident hadn't behaved unreasonably in its relationship with Miss M, and had been entitled to take the view it had on her repeated borrowing. He didn't agree that it was irresponsible lending, due to the information Miss M had given to Provident, the checks that it had carried out for each loan, and to her repayment history over the whole period of borrowing.

Miss M remained unhappy, and asked for an ombudsman's review.

## **my findings**

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

Having done so, I'm afraid I don't have better news for Miss M. I'm in agreement with our investigator, for the reasons he's given, that we can't say that from 2011 to 2013 Provident loaned to her irresponsibly.

I know this will be disappointing news for Miss M. I can see how difficult her financial situation's been over the years, and I know that she's been successful in her complaints against some other lenders, of the payday category. However, simply because she's had financial difficulties doesn't mean that I can say Provident treated her unfairly, or made her position worse in its dealings with her.

By its nature, the type of lending Provident deals in is the sub-prime market, where one would expect to see customers already in a degree of difficulty, albeit trying to manage their way out. I've looked at the evidence, and I'm satisfied Provident did a new application for each loan, and that Miss M was aware of, and happy with, the income and expenditure listed. She was aware of what Provident thought her monthly disposable income was, and that this formed the basis of her borrowing, so if she wasn't satisfied these figures were true or accurate, then the onus would have been on her to let Provident know the real facts. And she also had the opportunity to cancel each loan within fourteen days if she had any misgivings, but didn't do so.

Overall, Miss M was a good customer for Provident. Out of 86 loan repayments, only four were missed, and one lowered payment made.

Provident's now confirmed the outstanding balance she owes, and I expect it to treat her positively and sympathetically in moving forward and agreeing how this is repaid. But I can't ask it to refund interest and charges.

## **my final decision**

My final decision is that I won't be asking Provident Personal Credit Limited to take any further action to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 30 May 2018.

Ashley L B More  
**ombudsman**