

## **complaint**

Mr Y has complained about the way defaults have been applied to his credit file in respect of loans he took out with Provident Personal Credit Limited. Mr Y has said that he wasn't given any notice the defaults were to be applied.

## **background**

Mr Y took out 13 loans with Provident between 2013 and 2015. In June 2015 he got into financial difficulty and agreed a repayment plan with Provident. This plan wasn't fulfilled and in December 2015 the outstanding loans (five in total) were sold to a third party company, which I'll call V. These loans have now been registered as defaults on Mr Y's credit file.

Our adjudicator considered the complaint and found that the defaults had been applied correctly. So they didn't recommend that Mr Y's complaint be upheld.

Mr Y didn't agree with the adjudicator's view, so the complaint has been passed to me.

## **my findings**

I've looked at all the available evidence and arguments when considering what's fair and reasonable in the circumstances of this complaint. I've also taken into account the law, any relevant regulatory rules and good industry practice at the time.

I should be clear that in this complaint I have only considered how the default markers were applied and whether Provident did everything it should have before selling Mr Y's debt to V. I haven't considered the affordability of the loans.

Provident has provided copies of letters it sent to Mr Y in October 2015. The first letter informed Mr Y that his account had been passed to its collections department. The second warned that as his debt was still outstanding, a failure to make payment may result in his debt being sold on and default markers applied to his credit file. Both letters were correctly addressed to Mr Y's current address and there's no record of them having been returned as undeliverable. So overall I think it's most likely Mr Y received these.

Mr Y has said that he wasn't aware of V's involvement until early 2017. But V has provided copies of letters it sent to him in 2016. The first, dated January 2016, included a notice of assignment from Provident and confirmed that the debts had been sold to V. A summary of Mr Y's debt was included and he was invited to arrange a repayment plan.

The second letter was dated July 2016 and informed Mr Y that defaults may be applied to his credit record if he didn't make arrangements to settle the debt. It seems that Mr Y didn't respond to this and in August 2016 five letters were sent to Mr Y, giving a notice of default on all five loans he had outstanding. As no payment was received before the specified deadline, defaults were later applied to Mr Y's account.

I don't know if V sent other correspondence to Mr Y, in addition to the letters it's provided copies of. But I can see that, as with the letters from Provident, all the letters from V were addressed correctly to Mr Y's current address. And I haven't seen anything to suggest they weren't delivered safely. So I think it's most likely Mr Y did receive these letters.

So overall I think Provident did enough to notify Mr Y that there were arrears on his account and that his debt could be – and later was – sold to a third party. And V then did enough to inform him that arrears remained outstanding and that default markers would be applied to his credit record. While I appreciate that the defaults have caused Mr Y some difficulty, I can't say either business has done anything wrong in how they communicated with Mr Y or dealt with his account. So I'm not upholding his complaint.

**my final decision**

For the reasons above I don't uphold Mr Y's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 27 November 2017.

Cara Goodbody  
**ombudsman**