

## **complaint**

Mr C complains that Provident Personal Credit Limited (trading as Satsuma Loans) took too long to investigate his complaint that an instalment loan had been fraudulently taken out in his name. He also complains about poor customer service.

## **background**

In November 2014 a fraudster posing as Mr C borrowed £500 from Satsuma Loans. This is no longer in dispute. But when Mr C discovered what had happened and reported it in January 2016, Satsuma Loans did not accept this straight away. It was not until April that Satsuma Loans removed the loan from his credit file.

Mr C says that this was too slow, especially compared with how quickly other companies had resolved similar issues. He also says that he had to keep chasing Satsuma Loans after it had promised to call him back, and that its call handler was rude and hung up on him. He wants to be compensated for the cost of three months' access to his credit file, and for the phone calls he made, which he says cost him around £90.

Satsuma Loans did not accept it had done anything wrong. It said that it had repeatedly asked Mr C to send it his bank statements to prove that he had not received the money, but he hadn't done so. And it said that Mr C's bank had twice told it that the money had been received in his account, and he had then withdrawn it over the counter in a branch. In March the bank finally accepted that there had been a fraud, and refunded the money. Satsuma Loans then removed the loan from Mr C's credit file, and paid him £15, which was the fee Mr C had been charged for one month's access to his credit file. It says that calls to its complaints line are free.

Our adjudicator agreed that Satsuma Loans had done nothing wrong, and did not uphold this complaint. She thought that Satsuma Loans was not to blame for how long it had taken to resolve the problem, and that the matter had been dealt with in a reasonable amount of time. But Mr C does not agree, so I have looked into this complaint.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Satsuma Loans contacted Mr C's bank twice, in February and in March. On both times, the bank told it that the loan had been paid into Mr C's account, and then withdrawn by him in person. It said he had gone into a branch and presented photographic identification to withdraw the money. I think that Satsuma Loans was entitled to rely on that information. Two weeks after that, the bank contacted Satsuma Loans to say that it was treating Mr C as the victim of fraud, and that it was going to refund the £500 to Satsuma Loans. The refund was received on 1 April, and the loan agreement was unwound on 6 April. Satsuma Loans wrote to Mr C to say that his complaint had now been upheld, and that the loan would be removed from his credit file within 14 days.

In the light of what the bank had told it, I think it was reasonable for Satsuma Loans to reject Mr C's complaint. Once the bank gave it the correct information, Satsuma Loans upheld his complaint and put him back in the position he would have been in but for the fraud. I think it did this within a reasonable time.

Satsuma Loans did not just rely on what the bank told it. It also carried out its own investigation. But it found no evidence of fraud. It asked Mr C to provide his bank statements from late 2014, to prove that he had not received the money. Mr C says that he sent the statements twice, but Satsuma Loans says it did not receive them. I infer that they were lost in the post, which is not Satsuma Loans's fault, but it doesn't really matter. If Satsuma Loans had received the statements, then all they would have shown is that Mr C did receive the money in his account, and the money was withdrawn shortly afterwards. So the statements would never have helped Mr C's case even if Satsuma Loans had received them. But Satsuma Loans did not know that when it asked for them. Mr C had told it that he had never received the money in his account, and it was just trying to verify that.

I have read Satsuma Loans's contact logs. They show that Satsuma Loans told Mr C that until he sent it his bank statements, it couldn't do anything else to help him. So I infer that the call handler probably ended the phone call because the call was not going to be productive. I can see why Mr C thought that was rude. But I'm afraid I still don't think there's anything wrong with that. Having asked Mr C more than once for his statements, and being unable to help him without them, I think the call handler was entitled to end the call as there was nothing more to discuss.

I can't see any record that Satsuma Loans ever promised to call Mr C back. But I can see that it did call him back, but the line was dead. So it emailed him instead. The email simply said what would have been said on the phone if Mr C had answered. It was a request for paper copies of his statements.

So I don't think that Satsuma Loans has done anything wrong, or that it was responsible for Mr C's problems – although I do appreciate that this must have been a frustrating and worrying experience at the time. I'm pleased to see that Satsuma Loans paid him £15 as a gesture of good will. I recognise that Mr C wanted more than that, but Satsuma Loans was not obliged to pay him anything. And the phone calls Mr C made were free.

### **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 C to accept or reject my decision before 18 August 2016.

Richard Wood  
**ombudsman**