

complaint

Mr A has complained that Provident Personal Credit Limited (trading as Satsuma) has charged too much interest when it has provided a settlement figure to him to repay a loan.

background

In 3rd July 2018 Mr A took out a short term loan with Satsuma. He borrowed £200 and was due to repay this amount with interest in monthly instalments over 6 months. On 8th October 2018, Mr A contacted Satsuma and asked how much he would need to repay to clear his balance. Satsuma provided him with a final settlement figure. Mr A has not paid this amount and has a balance outstanding.

Mr A is unhappy at the amount of interest Satsuma charged on the early settlement figure and says that it was too high. He says that when he asked for this settlement balance, he was half way through his loan and so he should have been charged interest for that amount of time, on a pro-rata basis.

Satsuma disagrees with Mr A and says it made clear in the terms of the agreement of the loan that the interest due would be charged towards the start of the loan. It doesn't think it has done anything wrong.

One of our adjudicators has looked at Mr A's complaint and did not uphold it.

Mr A remains unhappy and so his complaint has come to me for a final decision.

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 inconclusive, I will reach my decision on the balance of probabilities – in other words, what I consider is more likely than not to have happened in light of the available evidence and the wider circumstances.

I have looked into Mr A's complaint and considered both parties recollections of what happened. In doing so, I am not going to uphold Mr A's complaint and I will explain why.

I can see that Mr A asked for an early settlement balance on 8th October 2018 and when he did, Satsuma gave him a figure that he would need to repay in order to clear the amount owed on the loan.

Mr A says that Satsuma added too much interest at this point and should have only added interest on a pro-rata basis. But I can't see anywhere within the documentation relating to this loan including the terms of agreement, that Satsuma was required to do this.

Satsuma says they followed their terms of agreement and used this when it calculated Mr A's settlement balance. I can't see that it did anything wrong when it did this, on this occasion. So because of this, I don't uphold Mr A's complaint.

Mr A has also mentioned that Satsuma has put on his credit file that he has a late payment in relation to this loan. This is because Mr A has an outstanding balance to repay. From what I have seen Satsuma is still owed this amount by Mr A and so I think it is entitled to provide

information about this on Mr A's credit file. I don't think it has done anything wrong here either.

In conclusion, I don't uphold Mr A's complaint.

my final decision

I don't uphold Mr A's complaint and I don't require Provident Personal Credit Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 May 2019.

Mark Richardson
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