

complaint

Mrs S complains Provident Personal Credit Limited (Provident) recorded missed loan payments on her credit file even though she'd been told that nothing would happen.

background

Mrs S has had a number of doorstep loans with Provident. Three of the loans taken out in 2014 had missed payments on them and this has been recorded on Mrs S's credit file. But Mrs S says she contacted the agent collecting the money to ask what would happen if she missed payments and the agent said nothing, she could just catch up. Mrs S says she believed her credit record wouldn't be affected so she was distressed when she found it had.

Mrs S complained to Provident and told it she:

- Was declined for a consolidation loan and this is what alerted her to the missed loan payments reported by Provident to the credit reference agencies (CRA).
- Began to find it difficult to pay each week as she was paying court fees for custody.
- Contacted the agent to ask what would happen and the agent said '*nothing, just pay when you can or catch it up*'.

Provident didn't uphold Mrs S's complaint. It said the agent said she hadn't spoken to Mrs S about the consequences of missing payments. Also, letters about the arrears were sent to Mrs S which set out the consequences of missing payments but she didn't respond to them.

Mrs S complained to our service and said:

- Two of the loans taken out had been for a family member who couldn't get any credit.
- She didn't tell her husband about these loans.
- When asked what would happen if she missed payments, Provident's agent had told her '*nothing just catch up the following weeks where you can*'. This was by text but she doesn't have the text anymore and can't recover it. In a separate email to our service, Mrs S says the agent told her '*nothing just catch up the next/following week*'.
- When she realised her relative was regularly failing to pay on time, she paid off the loans herself.
- She doesn't recall receiving notifications of missed payments.
- If she'd been made aware of the damage done by failing to pay the loans, she'd have paid them off herself and made an arrangement with the family member.
- She'd like Provident to take off the missed payments from her credit file and compensate her for the distress caused

Our investigator looked at Mrs S's complaint but didn't uphold it for the following reasons:

- She didn't think Provident acted unreasonably in reporting missed payments to the CRA's, or that it didn't make Mrs S aware this could happen under the terms of the loan. Provident says it sent Mrs S reminder letters which set out the consequences of missing payments but our investigator noted that it'd only been able to send our service templates along with evidence of when these would've been sent, rather than copies of the actual letters sent to Mrs S. Even so, she felt the terms of the loan had been clearly set out when Mrs S applied for them. And she didn't think it was unreasonable for Provident to rely on those terms.

- It'd be very difficult for her to uphold Mrs S's complaint point that Mrs S was given incorrect information by the agent without any evidence that Mrs S had been told something different to the terms of the loan.
- Provident are required to report accurate information about missed payments to the CRA's. Having checked Provident's records and Mrs S's credit file, our investigator couldn't see that Provident had done anything wrong when reporting the missed payments to the CRA's. Also, it didn't start to do this until after Mrs S was more than a month in arrears.

Mrs S was unhappy with this decision saying she appreciates what the terms say but she didn't keep any paperwork as the loans were taken out for someone else. Mrs S felt we'd failed to look at her concerns that the agent never came to her home to collect the money. Also, she said she questions whether the payments she made were recorded accurately by the agent because the agent had given her incorrect information.

Our investigator got Provident's agreement that she could look into these points as part of this complaint as they hadn't been raised at the outset. Having done so, she explained that:

- The arrangement for Mrs S to go to the agent's house was made because she hadn't told her husband about the loan. Our investigator thought this was a reasonable alternative for Provident to offer Mrs S in these circumstances. And she hadn't seen any evidence that Mrs S had told Provident she was unhappy with this at the time.
- Without any evidence from Mrs S, it'd be very difficult to check whether the payments had been recorded correctly by the agent. So she asked Mrs S to send copies of her payment book to our service.

Mrs S remained unhappy saying the loans weren't for her so she never kept the payment book. And she wasn't offered alternatives to make payments other than the agent's home.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where there's a dispute about what happened, I've based my decision on what I think's more likely to have happened in light of the evidence.

Having done so, I have to tell Mrs S that I think the investigator has reached the right outcome here. I think she set out the position clearly so there's not much I can add to what has already been said. Like the investigator, I haven't seen anything that suggests Provident did anything wrong when it recorded missed payments on Mrs S's credit file or when it made arrangements for her to make payments at the agents home. Also, I haven't seen any evidence to support Mrs S's complaint that the agent told her nothing would happen if she missed her loan payments or that the payments she did make were recorded incorrectly.

I appreciate that when Mrs S complained to our service, she said that two of the loans with missed payments recorded on them were taken out by her for a family member and it was the family member that stopped making payments. However, all three loans which had missed payments recorded with the CRA's were taken out in Mrs S's name. So Mrs S was ultimately responsible for them and failing to make payments would impact Mrs S's credit file, not anyone else's. This was set out in the loan agreements signed by Mrs S.

When Mrs S took out the loans with Provident, she accepted its terms, including agreeing to

make the monthly repayments. So, Mrs S should've continued to make her loan payments on all her loan accounts even while she sorted out matters with her family member for two of the loans. But Mrs S didn't do this.

I can understand it would've been difficult for her to keep the original loan documents and records of her payments given that her husband didn't know about them. And I note she says she didn't keep these records because the loans weren't for her. But, as I've explained above, the loans were in Mrs S's name and they were her responsibility. So, even if Mrs S didn't keep the loan documents and payment book, I don't think it means that Provident can't rely on the terms of the loan or that I should assume its records of the payments that were made is incorrect, particularly when Mrs S accepts that payments were missed by her.

Provident has told us that it doesn't report to the CRA's until over four weeks' worth of payments have been missed. And our investigator has checked that's what happened here. So I think that, if Mrs S had made up the missed payments the next or following week, Provident wouldn't have reported anything to the CRA's. Even so, I haven't seen any evidence to support Mrs S's complaint that Provident's agent told her that nothing would happen if she missed her loan payments. And Mrs S's account of what she was told hasn't been consistent throughout the course of her complaint with Provident and our service. I think that's understandable because the loans were taken out in 2014 but it makes it even more difficult for me to say that it's more likely a conversation took place about missed payments and that the agent told Mrs S that she could leave loan payments unpaid for any period of time without there being any consequences

Taking everything into account, I'm satisfied that Provident acted reasonably in recording the missed payments on Mrs S's credit file. This is because the purpose of the credit file is to accurately show how Mrs S operated her loan. And she did miss some of the loan payments.

In the circumstances, it follows that I don't uphold Mrs S's complaint against Provident.

my final decision

My final decision is that I don't uphold Mrs S's complaint against Provident Personal Credit Limited so there's nothing it needs to do to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 8 May 2018.

Rebecca Ellis
ombudsman