

complaint

Mr B complains that Provident Personal Credit Limited ("PPC") engaged in irresponsible lending to him.

background

Mr B says he's had a series of loans with PPC and he feels they shouldn't have been given to him. He says most of the loans were taken out only a few weeks before he took out further loans. And he says at the time the loans were taken out he wasn't working, so he had no income.

So, Mr B says he wants the interest he's paid refunded and he wants any adverse entries about the loans removing from his credit file.

PPC says Mr B took out 13 loans with it between April 2012 and December 2016. It says for each of Mr B's loans it made an assessment of his circumstances, including details of his income and expenditure.

PPC also says Mr B's loans issued from July 2015 onwards were completed on a lending app. It says its agents still performed an affordability assessment, but the details were recorded electronically on a hand held device. It says the lending app features a built-in control whereby applications will be rejected if a customer's weekly disposable income deems the loan unaffordable. And it says its systems combine applicant-sourced data with monthly refreshed credit bureau data and the customer's previous history with it, to determine its lending decision.

In addition, PPC says prior to issuing credit its agents review the repayments made (if an existing customer) towards any previous credit agreements held with it. It says it can confirm the available information would've indicated the loan repayments were affordable to Mr B. It says Mr B was given an explanation of the terms of the loans, both verbally and in writing and an opportunity to ask questions. And it says he chose to proceed with each loan and provided his electronic signature.

Mr B complained to PPC about this matter. And, being unhappy with its response, he complained to this service.

Our investigator thought Mr B's complaint shouldn't be upheld.

Mr B disagreed with the investigator's conclusions. So, the matter's been referred to me to make 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.

I've decided not to uphold Mr B's complaint and I'll explain why.

PPC had a responsibility to assess whether the loans it made to Mr B were affordable. But there's no set list of checks that must be carried out when assessing affordability.

I see Mr B had defaults on his credit file when some of the loans were made to him and I see he wasn't working. But I've seen details of the income and expenditure assessments PPC carried out. These showed Mr B had regular income from a pension and from benefits. And they showed his disposable income was more than enough to meet his loan repayments. So, I'm satisfied PPC carried out a reasonable assessment of the affordability of each of the loans it made to him.

I acknowledge Mr B's now experiencing financial difficulties and I've sympathy for him. But it's apparent from the information I've seen that PPC didn't make any new loans to him after he began to have serious issues with affordability in 2017.

So, taking everything into account, I haven't seen anything to lead me to conclude PPC's done anything wrong. And this means I can't uphold Mr B's complaint.

my final decision

I don't uphold Mr B's complaint against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 June 2018.

Robert Collinson
ombudsman