

complaint

Mr H complains that Provident Personal Credit Limited (trading as Glo) treated him unfairly in relation to his guarantee of a loan to a cousin.

background

Glo lent £7,000 to Mr H's cousin. Mr H agreed to guarantee her repayment. After she defaulted, he complained that Glo hadn't treated him fairly.

The adjudicator didn't recommend that the complaint should be upheld. She didn't think that Mr H didn't understand his duties as a guarantor. She said that Mr H agreed to the terms of the agreement.

Mr H disagrees with the adjudicator's opinion. He says, in summary, that his cousin exercised undue influence over him and Glo didn't properly check his credit worthiness.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

From a call recording, I'm satisfied that Glo asked Mr H for details of his income and outgoings. Glo asked Mr H if he foresaw any changes – and he said he didn't.

I accept that Glo also did a credit check.

I'm satisfied that Glo's checks were reasonable and proportionate.

I'm satisfied that Glo gave Mr H an adequate explanation that he would have to repay the loan if his cousin didn't.

Mr H says he now believes that his cousin never intended to repay the loan. But he's fallen short of showing that she exercised undue influence over him – or that the lender ought to have taken further steps to guard against this.

Mr H is now in a difficult position.

But overall I don't think it would be fair and reasonable to order Glo to release him from his guarantee or to do anything further in response to his complaint.

my final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I make no order against Provident Personal Credit Limited (trading as Glo).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 December 2016.

Christopher Gilbert
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