

complaint

Mr C complains that Provident Personal Credit Limited didn't carry out proper affordability checks and irresponsibly granted him loans. He says he was experiencing financial difficulties and was heavily reliant on short term credit. If it'd checked his credit file it would've seen the loans weren't affordable. It should've also taken account of loans being given to his partner. He wants the interest refunded and his credit file amended.

background

Provident said in its final response that Mr C had twelve loans between 2008 and 2011. Mr C confirmed in the applications for the first eight loans that he could afford the repayments. It carried out affordability assessments on the other loans and he'd enough disposable income to repay them. In this period Mr C made 133 payments on time. He missed 16 and 42 were partial payments. Most missed payments were for the final loan and he engaged a debt charity at that time. It wasn't obliged to carry out a credit check during this period. There's nothing to suggest its lending was irresponsible.

Our adjudicator felt this complaint shouldn't be upheld. He said:

- Provident relied on the information Mr C gave it and he'd confirmed he could afford the weekly payments. Mr C repaid his first eight loans on time. Provident took this into account when lending again. Mr C says he didn't consider the loans up until 2010 as being unaffordable.
- For the loans in 2011 Provident also asked for income and expenditure information on each application. The disposable income on each application showed he was able to meet the weekly repayments. At the time these loans were made Provident wasn't required to check Mr C's credit file.
- At the time each loan was given he'd either repaid or was within the agreed timeframe of paying back previous loans. Based on the checks Provident carried out they appeared affordable and its lending wasn't irresponsible.

Mr C doesn't agree and has asked for an ombudsman review. In summary he says Provident should've carried out more robust checks given his borrowing history. At very least the last loans weren't affordable. They were paid off over around 3 years not the normal 55 weeks. This complaint should be partly upheld.

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 agree with the adjudicator's conclusions for the same reasons.

Taking everything into account I think Provident carried out proportionate and appropriate checks before granting the loans in 2010 and 2011. By then Mr C had a history of repaying previous loans on time. And at the relevant times it wasn't required to carry out a credit search. It'd also considered his income, expenditure and disposable income and he'd said the loan repayments were affordable.

I also think it was also reasonable for Provident to treat Mr C's loan applications independently from any made by his partner and to assess them using only the information he gave, his history and its checks on him.

It was only after the later loans were granted that it became apparent Mr C had financial difficulties and couldn't make the agreed repayments. But I don't think this, or that it would eventually take him up to three years to pay them off, would've reasonably been apparent to Provident when it granted these loans.

On balance I think the loans appeared affordable when granted and Provident's lending of them appeared responsible at those times.

Overall, although I recognise Mr C's frustration, I don't think I can fairly or reasonably require Provident to refund any interest or charges or to amend his credit file as he'd like. And I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't 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 20 January 2017.

Stephen Cooper
ombudsman