

complaint

Mr W complains on behalf of Mr G that Provident Personal Credit Limited sold him home credit loans he didn't understand because of his learning difficulties.

background

Provident lent Mr G 19 home credit loans between 2008 and 2014. Because of our time limits, I'm only considering the 15 loans since October 2009.

It's not in dispute that Mr G has learning difficulties. His support worker, Mr W, represents him in this complaint. Mr W says that Mr G's learning difficulties prevented him from understanding his contracts with Provident and, in particular, the total value of the loan repayments. He says Mr G has been impoverished by the repayments, and that Provident took advantage of his suggestibility by offering him loans he didn't need.

Provident says the medical evidence does not support this conclusion. It says Mr G asked for the loans, understood what he had to repay, and generally made his repayments in full and on time. His ability to manage his financial affairs indicates that he knew what he was doing. Provident had done affordability checks for each loan since July 2011, and it had no indication that Mr G was struggling financially. It says its agent has known Mr G for years, and never had cause for concern. So Provident argues that it has done nothing wrong.

Our adjudicator did not uphold this complaint. She went through the loans and concluded that they were affordable. Mr G's disposable income had always exceeded his repayments. It didn't look as if Mr G had been in financial difficulties, and he'd been maintaining his repayments and managing his finances. He'd passed the affordability checks, and his income and expenditure before those checks started were similar to what they have been since then, so the earlier loans were probably affordable too. His learning difficulties were not so acute that she could infer that he hadn't understood his loan agreements. And she said that Provident couldn't discriminate against someone by refusing to lend to him just because he had learning difficulties, as long as he was capable of making decisions about his finances. So she didn't think Provident had mis-sold the loans.

Mr W said that people with learning difficulties often pretend they understand something when really they don't, so as not to look foolish to other people. He said Provident's agent had taken advantage of Mr G and led him along. He asked for an ombudsman's decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr W has asked to speak to me in person, but I think he has already supplied me with ample written submissions and evidence to support and explain Mr G's case in full. So I have considered this complaint on the evidence contained in our file.

I've read the doctor's letter supplied by Mr W. It says Mr G has "mild cognitive impairment" and "slight expressive dysphasia which would negative (*sic*) impact his communications skills."

It's important to distinguish between *expressive* and *receptive* dysphasia. Mr G has the former. *Expressive dysphasia* is where the person struggles to express himself and to be understood by others. *Receptive dysphasia* is where someone's understanding of language is impaired, and so he may fail to understand what he is being told.

Mr G doesn't have receptive dysphasia, but he does have mild cognitive impairment. The Alzheimer's Association describes this condition as follows:

"Mild cognitive impairment causes cognitive changes that are serious enough to be noticed by the individuals experiencing them or to other people, but the changes are not severe enough to interfere with daily life or independent function."

So I do not think the medical evidence suggests that Mr G's learning difficulties mean that he wouldn't have understood the loan agreements. And I am reinforced in that view by the fact that in general he did, for the most part, make his payments in full and on time. And where he only made partial payments, these were usually made up soon afterwards, or were only short by a small amount.

Mr G's weekly disposable income was indeed greater than his total weekly repayments. So I think the loans were affordable.

Mr W says that Provident's agent manoeuvred Mr G into applying for loans he hadn't asked for. The agent denies that, and says Mr G proactively requested each loan himself. I don't think I have enough evidence to decide that issue one way or the other, and I won't infer that this allegation must be true just because Mr G has learning difficulties, or because he regularly took home credit loans. I make no finding about it.

For the above reasons, I do not think that Provident mis-sold these loans.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 July 2017. Mr W may reply on his behalf. But if we don't hear from them, then we will assume that they do not accept my decision.

Richard Wood
ombudsman