

complaint

Miss T complains that Provident Personal Credit Limited lent her money when it shouldn't have done. She has now got a County Court Judgement (CCJ) against her for the debt she wants this quashed.

background

Miss T said that PPCL lent to her when she was in a vulnerable situation due to her age and her financial and family circumstances. She told us she felt pushed into taking loans that she didn't want from it. And that PPCL's agent put incorrect information into her application forms. As a result of this it appeared she could afford the repayments when in reality, she couldn't. She took several loans out with it. But she said very soon after taking out the first loan, she began to struggle and a relative had to step in and make the repayments for her.

Further, she explained she tried to reach an agreement with it about accepting reduced payments but it didn't respond. Then, out of the blue, many years later she found out that either PPCL or the new debt owner had taken her to court over the debt and got a judgement against her.

For its part, PPCL said on each occasion it lent to her it carried out proportionate checks. These included asking her about the money she had coming in and out, and asking her to confirm this. It also carried out checks with Credit Reference Agencies to see what other borrowing she had. It said her payment history didn't initially suggest she was struggling to pay it back. Rather, it only thought something might be up, only well after she took out her final loan. This is because she contacted it, at that point, to say, for the first time, she was having money troubles. It put this down to a change of circumstances, since she'd taken out the loan, and it made several attempts to get in touch with her. It said it got no response from her to these attempts. It told us after a while, it sold her debt on.

Our adjudicator thought that it didn't seem likely, in the circumstances that the agent could've sent in incorrect information about Miss T's finances without her knowing about it. And he thought he had enough information to think that checks had been done before every lending decision and those checks had gone far enough. He didn't have a lot of information about Miss T's financial situation but from what he had, he didn't think it likely she'd not been able to make the payments from the beginning.

Also, our adjudicator said we couldn't overturn a court ruling, so even if he thought PPCL had done something wrong he couldn't quash the CCJ.

Taking all of the above into account, our adjudicator, didn't think it was fair and reasonable to ask PPCL to take any further action.

We've not received any response from PPCL to this recommendation. But Miss T rejected it. In summary, she repeated what she'd said before about the agent putting incorrect information into her application, to give a false impression about the money she had coming in. She agreed she signed the forms however this was because the agent encouraged her to sign saying it was the only way she'd get the money.

Miss T also told us again that it was her relative, not her, who had made the payments as she couldn't afford to. She underlined that at the time she been both "*scared and desperate*"

and that's why she'd gone ahead. She also pointed out that she thought it was wrong that PPCL should behave like this.

As we had reached an impasse I was asked to review Miss T's complaint.

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 can see that Miss T has strong feelings about her complaint. I can also see that with the benefit of hindsight she wouldn't have taken out the loans. And I can't imagine how bad things must've been for her when she was "*scared and desperate*". That said, I don't think, based on what I've seen, I've any proper basis to tell PPCL it needs to do something further, to put things right. I realise this may well disappoint Miss T. Please let me explain why I've come to this conclusion.

I think it's appropriate to tell Miss T right up front that I can't make or even ask the court to remove the CCJ. I've no power to do this. But I can look at the decision to lend and whether Miss T was treated correctly when she says she had money problems.

For the most part, Miss T and PPCL don't see eye to eye about what happened here. So where they disagree I've got to decide which version of events I find the most likely.

I realise Miss T suggests she felt intimidated into borrowing. I agree it would be wholly unacceptable for a business to force a consumer to borrow from it. And it would be even more serious if PPCL had done this to someone who was a vulnerable consumer.

I take on board that Miss T was young and had family responsibilities when she borrowed. But it wouldn't be correct for businesses to refuse to lend to people just because of this. I accept she might've been in a tight spot financially when she took out the loans. But that is not the same as being pressurised into borrowing against her will.

Miss T borrowed again and again from PPCL and doesn't seem to have ever mentioned, at the time, feeling coerced into borrowing, even when it seems she sought help from a third party "S" in 2013.

If Miss T had been under the undue pressure she tells us about now, I'd have expected her to have mentioned it sooner especially once the agent who she talks about stopped visiting her and apparently stopped working for PPCL.

For all of these reasons I don't think it likely that the agent forced her arm into taking out all the loans.

PPCL lent Miss T relatively small amounts. It tells us it checked both her income and expenditure and her other borrowing before it lent to her. And these checks together with other demographic information it had suggested she could afford the borrowing. On the face of it these checks went far enough. I say this because PPCL has explained the loan application process it used. This involved Miss T being shown the information that was being submitted on her behalf about the money she had coming in and out. I know Miss T says this information was wrong and the agent did this on purpose. But she's not sent us any information such as bank statements to show this was the case. Neither have I seen information such as bank statements from her relative showing that the relative, not Miss T made the repayments. I also take on board that her payment history, didn't suggest she

shouldn't have been lent the money in the first place. So don't think I can fairly say that on balance, Miss T couldn't afford the repayments she made.

It seems that both Miss T and PPCL agree that in 2013 she let them know she was finding it hard to manage her full repayments. What happened next isn't entirely clear. She tells us she made an offer to make reduced repayments but she was ignored. PPCL says its records show it made a number of attempts to contact her but heard nothing from her. PPCL was obliged to try and help Miss T if she had financial difficulties. In the circumstances, I don't think it more likely than not its records are incorrect. I can't see what it had to gain by ignoring her offers to pay it. So I don't agree that Miss T was ignored and wasn't offered assistance.

For all of these reasons, I don't think it's fair or reasonable to ask PPCL to take any further action.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 12 June 2017.

Joyce Gordon
ombudsman