

## **complaint**

Mr S complains that Provident Personal Credit Limited didn't carry out proper affordability checks and irresponsibly granted him unaffordable loans. He wants the interest refunded.

## **background**

Provident said in its final response that most loans were given between 2008 and 2012. Only one was given in 2014 and this was the last one. Mr S provided income and expenditure information for each loan. His payment history doesn't suggest the loans weren't affordable. He made 288 payments on time, made 12 partial payments and missed 66 payments. It completed all regulatory checks and its lending was responsible. It's also pointed out they were home credit loans not payday loans.

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

- Mr S' bank statements don't show a person in financial difficulties. The account rarely went overdrawn, there was no increasing debt and there were large transfers from other accounts. In addition the money going into the account didn't regularly exceed what was going out by a significant amount.
- At times Mr S had two or three open loans with Provident. But his highest weekly payment was £53 and his weekly payments never exceeded his declared disposable income. And his credit file doesn't show defaults or large amounts of negative information.
- In September 2010 the amount borrowed increased substantially. This could be an indication of financial difficulties but even if Provident had seen Mr S' bank statements from February 2011 onwards it wouldn't have seen the account overdrawn. And he clearly had access to other money and there wasn't any increasing debt.
- Mr S also signed to say the income and expenditure figures he gave were correct and true. Provident was entitled to rely on this information.
- Mr S says he was in an IVA and that should've shown he'd financial difficulties. But as further checking of his statements wouldn't have shown financial difficulties this isn't a reason to uphold the complaint. A person in an IVA can borrow money although sometimes the practitioner's permission is needed to do so for larger amounts. And it's not against the law to lend to a person in an IVA.
- Mr S' statements don't show someone in financial difficulties. The loans appeared affordable at the time and Provident isn't required to take any further action.

Mr S doesn't agree and has asked for an ombudsman review. In summary he says the IVA and increased borrowing were a clear indication of financial difficulties. He only had his wages and no other money. The loans weren't affordable. He had other large expenses and he missed loan payments.

### **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.

Mr S supplied income and expenditure information. I think Provident was entitled to rely on the information he gave it. The fact Mr S was in an IVA didn't necessarily mean it shouldn't have lent him money.

Although this and his increased borrowing may've been an indication at the time of some financial difficulties, even if Provident had asked to see Mr S' bank statements at the relevant times it seems more likely that they would've suggested the loans were affordable, than not.

Taking everything into account, although I recognise Mr S' frustration, I don't think Provident's lending was irresponsible or the loans were unaffordable. So, I don't think I can fairly or reasonably require Provident to refund any interest as Mr S would 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 S to accept or reject my decision before 14 April 2017.

Stephen Cooper  
**ombudsman**