

## **complaint**

Ms L complains that Provident Personal Credit Limited (Provident) lent money irresponsibly to her.

## **background**

Ms L says Provident never asked for any proof of her income or outgoings to see if she could afford them. But she was a single parent receiving a part time wage and benefits. She says she missed a few payments and Provident should've realised from the number of times she borrowed from them that she was struggling. Regardless of this, Provident continued to give her loans. She feels this trapped her into a '*debt spiral*' which led to her entering into a debt management plan.

Ms L says she was borrowing from payday lenders to keep up payments with other lenders. And this would've been discovered by Provident had they carried out further checks before lending her more money. Ms L complained to Provident.

Provident says it makes an assessment of a customer's circumstances by confirming employment details, reviewing proof of identification and documenting details of income and expenditure. And, having reviewed Ms L's forms, it says Ms L had suitable disposable income to make her repayments. And she signed the documents to confirm that the information she gave at that time was a true reflection of her financial circumstances.

Following the affordability assessment and approval of a loan, Provident says it gave Ms L a copy of the loan agreement which included details of the loan, the amounts of each weekly repayment and total amount payable.

In addition, Provident says prior to issuing credit its agents review the repayments made by an existing customer towards any previous credit agreements held with it. And this would've shown if the loan repayments were affordable to Ms L. It says, for example, prior to the loan it issued to Ms L in late July 2014, over a period of 239 weeks she'd made regular payments at the correct weekly rate on 184 occasions, with 20 missed payments and 35 reduced payments.

Provident also says Ms L was given an explanation of the terms of the loans, both verbally and in writing and an opportunity to ask questions. And it says she chose to proceed with each loan and signed to confirm this.

Ms L wasn't happy with Provident's response and brought her complaint to this service. She wants all interest she paid to be refunded to her. Our investigator didn't think that Ms L's complaint should be upheld. Ms L disagreed with this. She says that, just because she settled the loans, it doesn't mean she could afford them.

The matter has now been passed to me for a decision.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where there's a dispute about what happened, I've based my decision on what I think's more likely to have happened in light of the evidence.

Having done so, I have to tell Ms L that I think the investigator has reached the right outcome here. I think she set out the position clearly so there's not much I feel I can usefully add to what she's already said.

Provident had a responsibility to assess whether the loans it made to Ms L were affordable. But there's no set list of checks that must be carried out when a lender is assessing affordability.

I've seen the income and expenditure assessments Provident carried out for Ms L's loans. These indicate her disposable income was more than enough to meet her loan repayments. So, I don't think it was necessary for Provident to require proof of her income when deciding on further lending. I'm satisfied from the information I've seen that Provident carried out a reasonable assessment of the affordability of the loans it made to Ms L.

I acknowledge Ms L says she missed a few payments with Provident and Provident should've realised that she was struggling. Whilst her payment history before she took out the loan in late July 2014 shows Ms L missed 20 payments, it also shows that she did make 184 correctly. And those which were missed were made up and all five loans were paid in full by the end of the relevant loan term. I also note Ms L says Provident didn't ask for any proof of her income or outgoings. But she signed to confirm the details of her finances were accurate.

Provident was required to lend responsibly. The checks a lender should carry out aren't specified but I think it's appropriate that they're proportionate to the amount borrowed, the length of the agreement and the borrowing history. In Ms L's case, all the loans were between £100 - £400. As a result of this, and for the reasons I've set out above, I think that the checks in the case Ms L's loans were appropriate.

So, whilst I appreciate this will come as a disappointment to Ms L, I haven't seen sufficient evidence which allow me to conclude that Provident has done anything wrong. It follows that I don't uphold Ms L's complaint.

### **my final decision**

My final decision is that I don't uphold Ms L's complaint against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 24 October 2018.

Rebecca Ellis  
**ombudsman**