

## complaint

Mr W complains that Provident Personal Credit Limited (Provident) pressured him into taking out inappropriate loans. He wants Provident to stop offering him loans by letter and during home visits, and to cancel the three loans he currently has outstanding. He is represented in bringing this complaint by Ms L of his local Citizens Advice Bureau ("Ms L").

## background

Mr W had a history of loans from Provident. Before the loans he complains about, he had received 22 loans from Provident since July 2007, all of which he had repaid satisfactorily. In March 2016, Ms L complained on his behalf about two further loans that Provident had made to him:

1. September 2015 – loan of £1,000 plus charges of £890 being repaid by instalments of £30 a week; and
2. December 2015 – further loan of £1,000 plus charges of £890 being repaid by instalments of £30 a week.

Ms L said Mr W had learning difficulties which meant he needed support with budgeting and managing his finances, which would be obvious to anyone dealing with him. Provident hadn't followed the guidance in the Financial Conduct Authority (FCA) Consumer Credit Handbook for dealing with a vulnerable customer and properly assessing Mr W's creditworthiness. So Ms L said Provident should cancel the two loans outstanding and ensure that no further home visits were made offering further loans.

Provident didn't accept Mr W's complaint. It said that its agent who visited Mr W wasn't aware of any health issue that could affect Mr W's ability to understand a loan agreement. He had no reason to believe he didn't fully understand the agreement. Mr W had contacted the agent requesting further loans and the agent hadn't pressured Mr W into taking the loans. And the credit assessments it had undertaken at the time, based on the information Mr W supplied, indicated that the loans were affordable.

At the end of May 2016, Provident lent Mr W a further loan of £1,250 plus charges of £1,270 repayable by instalments of £30 a week. Ms L complained to us on Mr W's behalf about this and the earlier loans.

Our adjudicator didn't recommend that this complaint should be upheld. He said the information Provident had supplied, based on the information Mr W had given its agent, didn't suggest that the loans were unaffordable. And Mr W's family members were present at the time the agent visited. In these circumstances, it was difficult to say that Provident had acted inappropriately.

After Ms L complained to Provident in March 2016, it spoke to its area manager who said there had been a query but it had been resolved. So it had resumed contact and made the most recent loan.

Ms L responded to say, in summary, that:

- she didn't think Provident had satisfied its obligations under the FCA's Handbook to identify Mr W's disability and make an informed borrowing decision;

- the information she had provided to us showed that Mr W's outgoings meant the loans were unaffordable by Mr W;
- Mr W had his own support worker at a help organisation who should have been involved in any lending decision;
- Mr W felt pressured into agreeing to take out the loans;
- the relationship between Provident's agent and Mr W meant that the current loan agreements (and the previous loan agreements) were likely to constitute an "unfair relationship" under the Consumer Credit Act 2006; and
- it was inappropriate for Provident to reach the conclusion that Mr W's March 2016 complaint amounted to "a query that had been resolved", and to proceed to make the most recent loan.

In the circumstances Ms L said Provident should waive interest and charges on all the loans it had made, or at least the last three. She asked that we consider how to prevent further visits and letters from Provident so that Mr W was not pressured into taking further loans from Provident.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As the adjudicator has said, the FCA's guidance requires a business to strike a balance between protecting a vulnerable customer, and not discriminating against them. Although it seems that Mr W does have learning difficulties, this doesn't mean that all lending to him would be inappropriate.

The evidence is contradictory on whether Mr W or Provident initiated these loans. Given that Mr W's parents, on whom he relied for support, were present at the time, I can't say that Provident pressured Mr W, or acted unfairly, in lending to him. It doesn't seem that the information about Mr W's outgoings which Ms L has provided was made available by Mr W to Provident. So I can't say it acted unreasonably in deciding the loans were affordable.

Given the conclusions I have come to, I can't reasonably require Provident to waive interest and charges on its loans to Mr W. As he has continuing loans which he is repaying, there will clearly be further contact between Provident and Mr W.

As far as any future lending by Provident to Mr W is concerned, Provident now knows more about Mr W's condition, and is on notice that Mr W has further outgoings it didn't know about before. If Mr W wishes the support worker from his help organisation to be involved in any future lending from Provident, he can ask Provident to mark his records that no further loans are to be made unless such support worker is present when the loan agreement is signed, or Mr W has cancelled this requirement in writing a suitable interval before the signing.

### **my final decision**

For the reasons I have set out above, my decision is that I don't uphold this complaint, and make no order against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 March 2017.

Lennox Towers  
**ombudsman**