

complaint

Mr G complains Provident Personal Credit Limited didn't carry out proper affordability checks and irresponsibly granted him unaffordable loans. He says he was vulnerable, trapped in a debt spiral and became unwell. He wants the charges and interest refunded and his credit file amended.

background

Provident said in its final response that Mr G had two loans in 2013. There was a period when the contracted payments weren't made. But in the last eight weeks of the first loan only one payment was missed. Other payments were only £1 below the expected weekly rate. The first three weeks payments were made on the second loan. The account was transferred to collections and later sold to a third party. There's nothing to suggest the loans were issued outside the company's policies.

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

- The type of checks carried out for a doorstep loan wouldn't be the same as those for a payday loan as the whole amount doesn't have to be repaid the following month.
- In this case when granting each loan Provident recorded Mr G's income and outgoings and assessed his weekly disposable income. It covered the loan repayments. It wouldn't be fair to say it should've been aware the loans weren't affordable.
- But as Mr G didn't make all his payments on the first loan on time it would've been reasonable for Provident to have carried out more checks before granting the second loan. Even so she can't say the second loan wasn't affordable.
- Mr G says he was vulnerable at the time these loans were given. But we wouldn't expect a lender not to provide credit just because they might have health issues.
- She can't require Provident to refund any interest and charges, to remove the loans from Mr G's credit file or to write off the outstanding balance.

Mr G doesn't agree.

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.

Overall, although I recognise Mr G's frustration, I don't think I can fairly or reasonably require Provident to refund any interest or charges or to amend Mr G's credit file as he'd 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 G to accept or reject my decision before 30 September 2016.

Stephen Cooper
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