

complaint

Mr R says that he has been the victim of identity fraud, and that a third party took out a payday loan with Provident Personal Credit Limited ("Provident") in his name. He's unhappy with the way Provident has handled the matter.

background

There's no dispute that Mr R has been the victim of fraud. Provident's records show that he first complained to it in March 2014 about the loan. And its final response concluded that he had been a victim of fraud. But it seems that it sold the account to a debt collector by mistake. And it wasn't until March 2016 that the account was brought back into Provident's control.

Initially Provident said it would write off the loan. And it offered Mr R £25 compensation for what happened. But our adjudicator didn't think that is enough to reflect the trouble he has been caused by what happened. He appreciated how frustrating it has been for Mr R to have to chase Provident and the debt collector to remove a debt which wasn't his. So he recommended that Provident paid him £250 compensation (on top of the £25 it has already offered him) for what happened. Provident declined to do this. But it said it would pay Mr R £200 in total to reflect its handling of the matter. But Mr R didn't think that was enough. So I've been asked to review this 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.

The only matter that remains in dispute in this complaint is how much compensation is appropriate for the trouble Mr R has been put to as a result of Provident's handling of the matter. It accepts that it was first alerted to what happened in March 2014. But the matter wasn't fully resolved for around two years. During this time Mr R had to speak to the relevant debt collector, and chase up Provident to see what was going on. And Mr R was pursued for the debt. I can see that this would've been stressful and frustrating for Mr R. So I think Provident should pay Mr R £350 compensation to resolve the complaint. That reflects the nature of its mistakes and the time it took resolve the matter.

I appreciate Mr R wants more compensation. He has told us that other accounts with other businesses were also taken out in his name too. And that the fraudulent accounts had an adverse effect on his credit file. That led to difficulties obtaining credit, distress, hardship and the breakdown of his relationship with his partner. I'm very sorry to hear about this. And I can appreciate how upsetting this matter has been. But my award isn't intended to punish Provident for what happened. And I think that part of the distress Mr R has been caused was due to the other accounts that were taken out in his name without his permission. I don't think it would be fair to hold Provident responsible for those accounts.

my final decision

My final decision is that Provident Personal Credit Limited should pay Mr R £350 in total to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 September 2016.

Laura Forster
ombudsman