

## **complaint**

Mr W complains that he received poor service from Provident Personal Credit Limited (the business) when applying for a loan. He says he should be compensated for this.

## **background**

Mr W was an existing customer of the business and contacted the agent in March to arrange a £200 loan. He needed the money the following day to pay for work to his house. He says the agent came round on the Wednesday as requested and started the application process but encountered a system error. The agent said he would contact the relevant team about this and hoped to return that day.

Mr W says he contacted the agent later that day and the following day and he contacted the business manager but it was not until the Saturday that the agent contacted him to say the issue had been resolved. This was too late for Mr W as he had to get the money from elsewhere to pay for the work.

Mr W says this issue caused him lots of problems and worry and took three and a half days to resolve. He also says that he then got a call on the Tuesday from his agent saying that he understood Mr W wanted to go ahead with the loan which was not correct. Mr W says the service provided was poor and the issue should have been sorted within the day.

The business says that Mr W had promised the money to other people before making his application. It says that the money wasn't guaranteed until the lending application process was completed and that it could not be held responsible for any issues this has caused. It says that it is not obliged to issue credit unless it deems it suitable and that there are no rules on issuing within a certain time period.

The business says it worked quickly to resolve the system issue and kept Mr W informed. It apologised for the upset the issue had caused Mr W but did not accept that compensation was required.

The investigator did not uphold this complaint. He did not find the business was required to pay compensation in this case.

Mr W did not accept the investigator's view. He said that this issue caused major upset and he was not able to wait for the issue to be resolved before he needed the money to pay for works on his house. He said the business should have acted sooner and that he spent money on phone calls chasing the business.

## **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 can see that it must have been frustrating for Mr W to encounter issues when he was making his loan application, especially given his previous positive experiences. However, I find it reasonable that the loan was not provided until the application process had been successfully completed.

Mr W contacted the agent in regard to the loan and the agent visited Mr W as requested. The agent encountered a system error when trying to complete Mr W's application which he contacted the relevant department about. I appreciate that Mr W feels the issue should have been resolved within the day but this was not possible. I note Mr W's comment about the business completing a manual application but the business has confirmed it could not do this.

While I appreciate Mr W needed the money from the loan quickly in order to pay for work to his house, I do not find that the business can be held responsible for any inconvenience Mr W was caused by the money not being available at that time. The loan application took longer than Mr W expected but it was Mr W's choice to make financial commitments before the money was available. As the business has said the money was not guaranteed and so Mr W should not have relied on it until the application was successfully completed.

The business has said that the system issue was identified on 15 March and that Mr W's complaint registered on 17 March. It says that Mr W was contacted on 18 March to say the issue had been fixed and to ask him if he wished to apply again. A further call was made to Mr W on 21 March.

There was a delay in the application process because of the system error. However the business kept Mr W up to date while the issue was being resolved and it was only a few days before it contacted him to ask if he wished to make another application. Mr W had sourced the money from elsewhere by this time and so chose not to make another application. This was his choice and I find the business acted reasonably in regard to its contact with Mr W.

I can see that a further call was made to Mr W after he had said he no longer wanted the loan and this appears to have been due to a miscommunication. I do not find that this caused any material upset.

Overall, while I understand this issue was frustrating for Mr W, I find that the business acted reasonably. There was a short delay due to the system error but it kept Mr W informed and, once the issue was resolved, it offered him the opportunity to make a new application. The business apologised for the issue and given the short period which the issue took to resolve, I find this sufficient. I do not require the business to pay compensation in this case.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 June 2017.

Jane Archer  
**ombudsman**