

complaint

Mrs M complains that Provident Personal Credit Limited ("PPC") engaged in irresponsible lending to her.

background

Mrs M says she's had many loans with PPC. She says its loans trapped her into a debt spiral, with the repayments taking up so much of her wages that she had to borrow again to cover the payments. And she says she was then given more loans.

Mrs M also says PPC should've realised from the number of times she rolled loans or borrowed again that her debt problems were getting worse. She says it wasn't responsible to continue lending to her. And she says PPC should never have given her these unaffordable loans.

In addition, Mrs M says she's not claiming all the loans were unaffordable. But she says the PPC agents were more than happy to fill out the income and expenditure forms to make it look as if she had more money than she actually did. And she says until her most recent loans, she wasn't previously asked to provide proof of her income and benefits.

So, Mrs M says she wants the interest she's paid on all her loans classed as unaffordable refunded.

PPC says for each of Mrs M's loans it made an assessment of her circumstances, including details of her income and expenditure.

PPC also says any loans Mrs M obtained from July 2015 onwards were completed on a lending app. It says its agents still performed an affordability assessment, but the details were recorded electronically on a hand held device. It says the lending app features a built-in control whereby applications will be rejected if a customer's weekly disposable income deems the loan unaffordable. And it says its systems combine applicant-sourced data with monthly refreshed credit bureau data and the customer's previous history with it, to determine its lending decision.

In addition, PPC says prior to issuing credit its agents review the repayments made (if an existing customer) towards any previous credit agreements held with it. It says it can confirm the available information would've indicated the loan repayments were affordable to Mrs M. It says, for example, prior to the loan it issued to Mrs M on 9 February 2017, its records confirm over a period of 329 weeks she'd made regular payments at the correct weekly rate on 307 occasions, with 21 payments missed and one reduced payment.

PPC further says Mrs M 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 provided her approval by signing the loan agreements.

Mrs M complained to PPC about this matter. And, being unhappy with its response, she complained to this service.

Our investigator thought Mrs M's complaint shouldn't be upheld.

Mrs M disagreed with the investigator's conclusions. So, the matter's been referred to me to make a final 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.

I've decided not to uphold Mrs M's complaint and I'll explain why.

PPC had a responsibility to assess whether the loans it made to Mrs M were affordable. But there's no set list of checks that must be carried out when assessing affordability.

I've seen the income and expenditure assessments PPC carried out. These indicate Mrs M's disposable income was more than enough to meet her loan repayments. And I'm satisfied from the information I've seen that PPC carried out a reasonable assessment of the affordability of the loans it made to her.

I acknowledge Mrs M says the PPC agents were more than happy to fill out the income and expenditure forms to make it look as if she had more money than she actually did. But in the absence of any other information supporting this suggestion, I can't conclude it's most likely this is what took place.

So, taking everything into account, I haven't seen anything to lead me to conclude PPC's done anything wrong. And this means I can't uphold Mrs M's complaint.

my final decision

I don't uphold Mrs M's complaint against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 27 July 2018.

Robert Collinson
ombudsman