

## **complaint**

Miss M complains that Provident Personal Credit Limited failed to complete adequate affordability checks before issuing her with loans.

## **background**

Miss M took out 29 loans with Provident Personal Credit Limited (Provident) between 2012 and 2016. She complained to them, earlier this year, that the loans they had supplied were not affordable and shouldn't have been approved.

Provident reviewed the loans and agreed that four of them shouldn't have been approved as it was evident that Miss M had not been keeping up with payments at the time. They therefore refunded the interest and charges made on these loans and paid Miss M 8% interest on the refunds. But Miss M thought they hadn't considered the other loans and despite Provident's reassurances she brought her complaint to this service.

Our investigator reviewed the loan approvals and agreed with Provident. She was satisfied that they had taken all of the loans, Miss M had with them, into consideration and that they'd been responsible in their lending. She didn't think Provident needed to take any further action. But Miss M didn't agree and she asked for this review.

## **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 know it may disappoint Miss M but I agree with the investigator's view on this complaint and for similar reasons. I'll explain.

I'm satisfied that Provident reviewed all 29 loan applications made by Miss M and that the four they identified were the only ones in which mistakes were made.

The main guidance that Provident needed to bear in mind was the Office of Fair Trading Guide on Irresponsible Lending.

Provident had a responsibility to assess whether the loans they made to Miss M were affordable. The methods they use to establish affordability are for them to decide but the practices and procedures they use must be effective.

Provident say that their agents make an assessment of a customer's circumstances by confirming employment details; reviewing proof of I.D. and documenting details of income and expenditure. They have explained that they now use a Lending App which rejects loan applications if customer's disposable income makes the loan unaffordable, and they've also explained to us how they use previous history and credit agency data to sense check the income and expenditure claims of their customers.

They've provided evidence to show that, for each of the loans, they performed these checks and I've reviewed this information and find it consistent and reliable and effective.

Miss M's payment history was good and her disposable income suggested she could afford the repayments on most of the loans. But I think Provident were right to decide that on four occasions the loans should not have been approved because Miss M was not keeping up with repayments . I'll therefore not be asking Provident to take any further action in relation to this complaint.

**my final decision**

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 17 November 2017.

Phil McMahon  
**ombudsman**