

complaint

Mr L complains about a number of loans he took out with Provident Personal Credit Limited. He says he couldn't afford the loans and thinks they should never have been granted.

background

Mr L took out 12 home credit loans from 2008 through to late 2012. The loans ranged from £150 to £700 and each had varying repayment lengths. The repayments for the loans were to be made by weekly instalments.

Mr L complained to us after first complaining to Provident. Our adjudicator didn't uphold Mr L's complaint so it's been referred to me for further consideration.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I haven't seen sufficient information here for me to uphold Mr L's complaint.

When deciding to lend, a business should ensure that the loans can be repaid without issue. A business is required to carry out proportionate checks to assess the consumer's circumstances and to satisfy its self the loans are affordable. The failure to carry out appropriate checks isn't however sufficient grounds to uphold a complaint like Mr L's. To uphold the complaint, I must look at what the business would have done had it carried out the required amount of checks. If I then feel those increased checks should have resulted in the loans not being granted, I can consider what redress would be appropriate.

Mr L took out a number of loans here and some were at the same time as others. Two loans weren't repaid and were later written off. But further loans were granted after those two loans were unpaid. From the subsequent loans, an additional two loans were also written off. Not actually repaying loans is in my view something that may suggest a consumer cannot afford to repay the loans. Taking out multiple loans at the same time may also be something else that would cause possible concern when looking at whether the loans are actually affordable. The loans here have relatively small repayment amounts, but the repayments are weekly and can mount up when more than one loan is taken at the same time.

Looking at the circumstances here I think there are some things that could have possibly suggested Provident should have done more when looking at whether to lend to Mr L. But, as I've referred to above, I still need to be persuaded that had Provident done better checks it would have realised the loans were unaffordable. I have considered what Mr L said about his circumstances but I haven't seen sufficient supporting evidence of what his specific financial position was at the time of the loans. Mr L is unable to obtain copies of his bank statements and our adjudicator has also tried, but without success.

Having very carefully considered Mr L's complaint, and the somewhat limited supporting evidence, I'm not sufficiently persuaded that I can be sure the loans were actually unaffordable to Mr L when they were agreed. Because of this, I don't think there's sufficient for me to uphold this complaint. I appreciate this will come as a disappointment to Mr L.

my final decision

My final decision is that I do not uphold Mr L's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 January 2017.

Mark Hollands
ombudsman