

complaint

Mrs M has complained that she was forced to pay off a loan with Provident Personal Credit Limited.

background

Mrs M had a loan with Provident for £900. She later decided she'd like to borrow more, but was told she'd have to pay off the £900 loan first. When she'd done so, she'd be able to borrow more from another office. She proceeded on this basis, but feels she was essentially forced to pay back the £900, when she couldn't afford to.

Our adjudicator didn't recommend that the complaint should be upheld. This was because she thought it was reasonable of Provident to require that the first loan be paid off before Mrs M could borrow more. As Mrs M disagreed, her complaint's been passed to me for my 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.

Having done so, I agree with the adjudicator. It is up to Provident whether or not to advance further credit. In this case, it said it would, but only if the existing loan was repaid. I think this is fair. Further, the second loan was on more favourable terms, so Mrs M had no financial loss. It was also down to her whether or not to pay back the first loan and take out another. This is what she chose to do.

Mrs M has said she didn't want the first loan account closing. But this happened because the loan had been repaid in full. So I think this was naturally what would happen. I'm also aware that Mrs M is worried because she's in arrears. But this isn't connected to paying back the first loan, and a repayment plan's been set up.

my final decision

For the reasons given above, it's my final decision not to uphold this complaint. I make no award 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 8 January 2016.

Elspeth Wood
ombudsman