

**complaint**

Mrs F complains that Provident Personal Credit Limited lent to her irresponsibly.

**background**

Provident has explained that as these loans were taken several years ago then it does not have many records. So, I have used what it sent us to make a Loan Table.

<b>Loan No:</b>	<b>Date taken</b>	<b>Loan term (weeks)</b>	<b>closed date</b>	<b>Principal</b>	<b>Interest due</b>	<b>Equivalent Monthly payment (rounded)</b>
1	29/07/2006	55	12/05/2007	£600	£390	£78
2	02/12/2006	105	12/08/2008	£1,000	£890	£78
3	12/05/2007	55	08/03/2008	£1,000	£650	£130
4	08/03/2008	105	not closed	£1,600	£1,676	£135
5	07/08/2008	105	not closed	£1,500	£1,571	£127

Loans 4 and 5 were transferred to a third-party debt collector on 2 January 2014 with a balance of £2,707 (rounded up).

Mrs F complained to Provident about all of the loans in May 2018. In June 2018 Provident wrote to Mrs F to say that it was not going to look at any of the loans as they were approved more than six years before Mrs F had complained. Provident altered its view and gave consent for us to look at the loans taken more than six years before that complaint date.

Mrs F has said that she has had loans with Provident since 1985. Mrs F says that these were continuous until 2011. Provident replied to say that it did not have records going back to 1985.

This service did not have jurisdiction to consider consumer credit matters until 6 April 2007. So, we are not able to consider Loans 1 and 2 as they are outside our jurisdiction. Our adjudicator explained this when he sent his opinion and he also explained that the first loan he could review was Loan 3. The adjudicator who considered the complaint thought that Provident should put things right for Mrs F in relation to Loan 5.

Provident agreed with this but Provident has explained that Mrs F has not paid a great deal of the principal sum (£1,500) and so there is no monetary redress due to Mrs F. Provident has said that it will correct Mrs F's credit file in respect of Loan 5.

Mrs F has not accepted Provident's offer. She says that it pushed her to have the loans and she was approved for more than the ones shown in the table. She referred to a time she was ill in 2011.

I asked Provident about additional records it may have about loans from 2008 to 2011 as Mrs F has suggested she had more. Provident's reply was that the table above shows all the loans it has been able to find. The most recent loan was approved on 7 August 2008.

The complaint was unresolved and was passed to me for a decision.

## my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have taken into account the law, any relevant regulatory rules and good industry practice at the time the loans were offered.

Before lending money to a consumer a lender should take proportionate steps to understand whether the consumer will be able to repay what they are borrowing in a sustainable manner without it adversely impacting on their financial situation.

A lender should gather enough information for it to be able to make an informed decision on the lending. Although the guidance and rules themselves did not set out compulsory checks, they did list a number of things a lender could take into account before agreeing to lend. The key element was that any checks needed to be proportionate and had to take into account a number of different things, including how much was being lent and when the sum being borrowed was due to be repaid.

Once the complaint was passed to me, I asked Provident for more information to check whether there were other loans. It has sent me all that it has, and the Loan Table set out above is based on that information from Provident.

I have asked Mrs F to send to me anything she has to assist: copy bank statements, information about her financial position, payment books from Provident and any other details of other loans she said she had. I have not received anything from her.

While I appreciate that Mrs F does not agree with Provident's offer on Loan 5, in the absence of any additional information from her then I endorse the offer made in line with the adjudicator's view.

Provident needs to put things right for Mrs F in relation to Loan 5 by doing the following:

- A) Provident should add together the total of the repayments made by Mrs F towards interest, fees and charges on Loan 5 including payments made to a third party where applicable, but not including anything Provident has already refunded.
- B) Provident should calculate 8% simple interest\* on the individual payments made by Mrs F which were considered as part of "A", calculated from the date she originally made the payments, to the date the complaint is settled.
- C) Provident may – if it chooses – use the total of "A" plus "B" to repay any principal which it has written-off – other than Loan 5.
- D) Provident should pay any remaining refund to Mrs F. If there is no refund left and still a balance outstanding made up of written-off principal, it would *not* be fair for Provident to pursue this further.
- E) The overall pattern of Mrs F's borrowing for Loan 5 means any information recorded about it is adverse, so Provident should remove it entirely from her credit file. If Provident has sold the loan it should ask the debt purchaser to do the same.

\*HM Revenue & Customs requires Provident to deduct tax from this interest. It should give

Mrs F a certificate showing how much tax was deducted, if this is applicable and if Mrs F asks for one.

**my final decision**

I endorse the offer made by Provident Personal Credit Limited and it needs to put things right as I have outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 10 April 2020.

Rachael Williams  
**ombudsman**