

complaint

Mrs M complains that Provident Personal Credit Limited let someone fraudulently take out two personal loans in her name.

background

Mrs M said she took out a loan with Provident in February 2014 which she paid off as agreed. Mrs M said she was then made aware in January 2018 by a debt collection agency that two further loans had been taken out in her name with Provident in January and May 2015. As these loans hadn't been repaid as agreed, her credit file had been affected and the debt collection agency wanted her to repay the debt.

Mrs M complained to Provident. She told them she hadn't taken out the 2015 loans, and had moved from her old address in late 2014. She asked them to investigate as she thought fraud had taken place.

Provident investigated the applications and agreed Mrs M hadn't taken them out. They said they'd removed the loans from her account and corrected her credit file. They also offered her £50 compensation for the trouble and upset she'd suffered because of the fraud.

Mrs M wasn't happy with Provident's final response. She wanted more compensation because of the impact the fraud had on her health. And because of the negative impact on her credit score which had caused her finance payments to increase. So she asked this service to look at her complaint.

Our investigator thought Provident had done enough to put things right. He thought that they'd treated Mrs M fairly by writing-off the outstanding amounts, and correcting her credit file. So he didn't think the complaint should be upheld.

Provident didn't have anything to add. Mrs M didn't agree as she felt she should get more compensation. As an agreement couldn't be reached, the case has been passed to me for a 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'm not upholding this complaint for broadly the same reasons as the investigator.

I've seen evidence from Provident that the January 2015 and May 2015 applications were completed using a driving licence as identification. Mrs M said the address detail on the driving licence was incorrect – but it was the same one that was used to apply for the loan she'd taken out in February 2014. As the driving licence details matched the address details on the 2015 applications, I think it was reasonable that Provident processed the loans using the driving licence as identity verification.

I've also seen that the personal details on both the January and May 2015 applications were the same as Mrs M's application in February 2014 - including the mobile number and national insurance number. As the details were consistent on all the application forms, I don't think Provident would've had any reason to think these were fraudulent applications.

I think it was reasonable for Provident to feel the applications were accurate based on the identification and personal details they were given. I've asked Provident to confirm their process and the checks that they undertake before agreeing to lend. And based on everything I've seen, I think Provident felt the information they had for the 2015 applications was correct and I don't think they would've had any reason to doubt this. I think that they acted in line with their processes so I can't say they did anything wrong.

I acknowledge that Mrs M has said this has caused her issues with her health, and I'm sorry to learn of the distress this has caused her. But as soon as Provident were made aware of the fraud they acted quickly to remove the loans from her account and correct her credit file. So I think they've done enough to put things right, and I don't think it's fair to ask them to pay Mrs M additional compensation. So I won't be asking them to do anything more.

my final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 17 May 2018.

Jenny Lomax
ombudsman