

complaint

Mr J complains that Provident Personal Credit Limited (Provident) failed to collect some loan repayments and refused him a further loan.

background

Mr J took out a loan with Provident with the payments to be collected by a Customer Experience Manager (CEM). But there were a number of occasions when the CEM didn't visit Mr J to collect the payments and so his account fell into arrears.

Mr J complained to Provident and it explained it had been having some problems following a change to how it made collections. It apologised for what had happened and assured Mr J it was working hard to get its new way of collecting up and running. It offered him £75 for the inconvenience.

Provident also assured Mr J it wouldn't record anything adversely on his credit file for the missed payments as he hadn't been at fault. It also said it wouldn't ask Mr J to make up the missed payments right away.

Mr J said he wanted to apply for another loan but Provident said it couldn't grant him any more credit. It said it took many factors into account including affordability and credit history. It again assured Mr J that the missed payments hadn't affected its decision.

Mr J was unhappy with Provident's answer and so brought the complaint to us. One of our investigators looked at the case and felt Provident's response was fair. He thought the £75 was a suitable offer for what had gone wrong, particularly as Provident had since put in place alternative ways for Mr J to pay, such as paying by phone. He also said it was for Provident to make its own lending decisions so he couldn't overturn those. He pointed out that Mr J hadn't made any payments for a few months despite being in contact with Provident and having the new payment methods available.

Mr J wasn't happy with the response. He felt it was Provident's fault he was behind and that he shouldn't have to make up payments. Our investigator disagreed and so the case is now with me for a 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'm not upholding it.

I can see that Provident clearly had some problems with collecting payments. It's admitted as much and has taken action to put things right and make paying loan instalments easier for its customers. It's also offered Mr J £75 for the trouble he's been put to.

I think the £75 is a fair settlement of this case, particularly as Provident hasn't asked Mr J to make up the payments right away.

Our investigator is correct in saying we can't compel Provident to offer Mr J a new loan. I've seen nothing to suggest the collection problems have influenced its decision or have otherwise harmed Mr J's credit rating.

It's likely some of the reason for it declining further lending is Mr J does still owe money on his existing loan. And if he's now not making payments that's only likely to make Provident less willing to lend.

It's also true that if Mr J has been given fair opportunity to make payments but still isn't his credit file could be adversely affected. That won't be the fault of Provident; they'll be obliged to report any missed payments. But I can see no reason for Mr J to not repay what he owes.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 8 March 2018.

Ben Murray
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