

## **complaint**

Mrs W complains that Provident Personal Credit Limited ("PPC") engaged in irresponsible lending to her.

## **background**

Mrs W says she was encouraged by PPC to take out larger and larger loans, even though it meant not paying essential bills to keep up the payments. She says it never asked for any proof of her earnings in all the years she had loans. And she says she had several defaults and CCJs on her credit report.

So, Mrs W says she wants the interest and charges she's paid on her loans to be refunded.

PPC says for each of Mrs W's loans it made an assessment of her circumstances, including details of her income and expenditure.

PPC also says the loans Mrs W obtained from July 2015 onwards were completed on a lending app. It says its agent still performed an affordability assessment, but the details were recorded electronically on a hand held device. It says the lending app features a built-in control whereby applications will be rejected if a customer's weekly disposable income deems the loan unaffordable. And it says its systems combine applicant-sourced data with monthly refreshed credit bureau data and the customer's previous history with it, to determine its lending decision.

In addition, PPC says prior to issuing credit its agents review the repayments made (if an existing customer) towards any previous credit agreements held with it. It says it can confirm the available information would've indicated the loan repayments were affordable to Mrs W. It says, for example, prior to the loan it issued to Mrs W on 11 November 2016, its records confirm that over a period of 207 weeks she'd made regular payments at the correct weekly rate on 181 occasions, with only two payments missed and 24 reduced payments.

PPC further says Mrs W was given an explanation of the terms of the loans, both verbally and in writing and an opportunity to ask questions. And it says she chose to proceed with each loan and provided her electronic signature.

Mrs W complained to PPC about this matter. And, being unhappy with its response, she complained to this service.

Our investigator thought Mrs W's complaint shouldn't be upheld.

Mrs W disagreed with the investigator's conclusions. So, the matter's been referred to me to make 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.

I've decided not to uphold Mrs W's complaint and I'll explain why.

PPC had a responsibility to assess whether the loans it made to Mrs W were affordable. But there's no set list of checks that must be carried out when assessing affordability.

I've seen the income and expenditure assessments PPC carried out for Mrs W's loans. These indicate her disposable income was more than enough to meet her loan repayments. I've also seen evidence that it carried out credit checks when she applied for new loans. And her payment history shows Mrs W only missed two payments. So, I don't think it was necessary for PPC to require proof of her income when deciding on further lending. And I'm satisfied from the information I've seen that PPC carried out a reasonable assessment of the affordability of the loans it made to Mrs W.

I acknowledge Mrs W says the PPC agent just put anything down to make sure she could get another loan. And she says the agent was only interested in gaining commission and giving her more and more loans. But I note Mrs W signed to confirm the details of her finances were accurate. And in the absence of any other information supporting this aspect of her complaint, I can't conclude it's most likely this is what happened.

I note PPC told Mrs W it would consider any medical evidence indicating she lacked the capacity to understand the terms of her loans. It didn't make any further lending to her after she began missing payments. And it indicated a willingness to consider repayment options that may be more suitable for Mrs W. I think its actions in all of these respects were reasonable.

So, whilst I've sympathy for Mrs W in view of her current circumstances, I haven't seen anything to lead me to conclude PPC's done anything wrong. And this means I can't uphold her complaint.

### **my final decision**

I don't uphold Mrs W's complaint against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 10 August 2018.

Robert Collinson  
**ombudsman**