

complaint

Mr W complains about the service he received from Provident Personal Credit Limited in relation to his short term loan account.

background

Mr W says PPC didn't check the loan was affordable to him. He says its agent stopped calling at his home to collect his payments. And he says he tried ringing PPC several times about the matter, but without success.

Mr W also says he didn't receive any letters or emails from PPC about his loan account. And he says the first he knew about a default was when he checked his credit file. And he started getting letters from a debt collection agency.

So, Mr W says he wants PPC to refund all the interest and charges he's paid and he wants it to pay him compensation for the trouble and upset he's experienced.

PPC says Mr W took a £500 one year loan out in February 2011 with a total amount payable of £910. It says he made payments totalling £55 in March 2011, but he made no further payments. It says three letters were sent to Mr W about his arrears on 3 and 10 May and 7 June 2011. It says these letters detailed the action that would be taken if he didn't make payments, along with the impact this could have on his credit file. And it says, having received no response to any of these letters, it transferred Mr W's account to its central collections team and it was later sold to a third party business.

PPC also says when Mr W obtained his loan he signed a contractual agreement, a product explanation form and a customer details form. It says this paperwork contained important information, such as how missed payments could affect his credit file, how much he would be repaying, including the weekly cost and the interest rate and it notified him of his right to withdraw from the agreement.

In addition, PPC says Mr W told its development manager who completed his application that his weekly disposable income after all outgoings was £440. And it says this wouldn't have suggested he was experiencing any financial difficulties at the time.

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

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

Mr 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 Mr W's complaint and I'll explain why.

I've reviewed the documents Mr W signed when he took out his loan. And I see they included information about the amount of the loan, the weekly payments of £17.50, the total amount payable and the interest rate. So, I think Mr W should've been aware of the cost of the credit he was taking. I also see these documents contain the information PPC's referred to about the consequences of paying late or missing payments.

Mr W says the loan wasn't affordable to him. But I see the information he gave PPC indicated his total weekly income was £850 and his disposable income was £440 a week. In these circumstances I think it was reasonable for PPC to conclude Mr W's weekly loan repayments of £17.50 would be affordable.

Mr W's recently told us he was pressured into taking his loan. But I see he had the right to withdraw from it within 14 days if he decided on reflection it wasn't appropriate for him. So, I'm not able to uphold this aspect of his complaint, in the circumstances.

I note Mr W says PPC's agent stopped calling at his home to collect payments and the first he knew about a default on his account was when he checked his credit file and he started getting letters from a debt collection agency. But PPC's given us details of the letters it sent Mr W about the arrears on his account in May and June 2011. And I'm satisfied it took reasonable steps to make him aware of the situation and to give him an opportunity to pay the arrears.

So, taking everything into account, I haven't seen anything to lead me to conclude PPC's done anything wrong. And this means I can't uphold Mr W's complaint.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 June 2018.

Robert Collinson
ombudsman