

## **complaint**

Mr P complains that Provident Personal Credit Limited was irresponsible in lending him money.

## **background**

Mr P took out a number of loans with Provident between February 2013 and January 2014. The first four loans which ranged between £100 and £350 were taken out between February and July 2013. During this period Mr P was unemployed and relying on state benefits. The final three loans for slightly larger sums were taken out between September 2013 and February 2014, during which time Mr P was employed.

I understand Mr P repaid the first four loans, but the latter three were sold to debt collection companies. In 2018 Mr P complained to Provident and said the loans were unaffordable. It rejected his complaint and said it had carried out appropriate checks including income and expenditure details along with other credit checks.

Mr P brought his complaint to this service where it was considered by one of our investigators who didn't recommend it be upheld. She said that Provident had applied its lending criteria and concluded it was appropriate to make the loans. She said that the loan documentation including income and expenditure details which indicated the loan repayments were affordable.

In particular she looked at the later loans to see if the business had taken into account Mr P's payment history. She noted that Mr P had told her he had CCJ's on his credit file and had missed payments prior to Provident giving him further top up loans.

She noted he had missed some of his weekly payments, but these were made up the following week. She said the two defaults which were applied to his credit file on the 10 February 2014 and 17 September 2014. These were after the last loan had been made by Provident and so would have been taken into account.

Mr P didn't agree and said he had borrowed money off family and friends to keep up his payments. He added that he didn't think Provident had carried out suitable checks on his income and expenditure. He said he had only £70 a week and this didn't allow him to cover the loan repayments.

## **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 asked Provident for clarification of its checks on Mr P and I can see that it undertook a number of background credit checks in addition to the agent taking personal and financial details from Mr P. I had some concerns about the increasing level of lending, but on reviewing his bank statements I noted that the latter loans which increased in size were made after he obtained a job. At that point his income increased significantly and I am satisfied that these later loans were affordable.

I also had some concerns about the early loans which were made when he was unemployed and the accuracy of his income and expenditure details. I suspect they understated his

outgoings, albeit these were agreed to by Mr P. However, I have also reviewed his bank statements from the period and considered his payment history. Both of these indicate that Mr P was able to afford the loans. I appreciate he has told us that he borrowed from family and friends, but it is difficult for me to conclude that he was unable to afford these loans when he was maintaining them with the odd missed payment

I also note that his bank statements don't show a man who was unable to meet his financial commitments. I appreciate he may have alternative sources of help which are not apparent in the records I have seen, but these don't lead me to conclude Provident was irresponsible in making the loans.

I would add that I agree with the investigator that the CCJs were shown on Mr P's credit file after Provident had made the last of its loans. As such it had no reason to take them into account. I appreciate Mr P will be disappointed with my decision, but after due deliberation I do not believe I can uphold his complaint.

### **my final decision**

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 1 March 2019.

Ivor Graham  
**ombudsman**