

complaint

Mr and Mrs L complain that Provident Personal Credit Limited, trading as Provident, ("PPCL") has not credited payments they had made to their loan accounts.

background

Mr and Mrs L have been taking out home credit loans with PPCL for over 20 years. Their regular collector was replaced by another collector, Mr C, from August 2012. Mr C took fortnightly payments from Mr and Mrs L and told them that he would use this money to credit each of their accounts weekly. Mr and Mrs L said that they had paid £180 every two weeks since Week 39 in 2013, except for April 2014 when Mrs L was in hospital. Mr C had taken Mr and Mrs L's payment books when he became their collector, but he said he would register their payments on his iPad. Mr and Mrs L asked for receipts for their payments, but they were told by Mr C that the system was now computerised and that PPCL no longer provided receipts.

In the first week of January 2015, a manager from PPCL called on Mr and Mrs L to collect the fortnightly payment. He told them that Mr C was under investigation for missing payments. Mrs L said that the manager was very aggressive towards her and she found his news very distressing. She said that the way PPCL had dealt with the matter had adversely affected her health. She continually asked for account statements to check their payments, but she didn't receive these until around nine months later. Mrs L was then shocked to see a number of the payments were missing from the statements. After spending five days calculating what was missing, she realised that payments totalling around £1,805 hadn't been credited to their accounts since week 39 of 2013. PPCL has offered to credit £450 to each account as a gesture of goodwill, although they hadn't any proof that Mr and Mrs L had made the payments to Mr C.

The adjudicator concluded that it was more likely than not that Mr C hadn't credited all of Mr and Mrs L's payments to their loan accounts. She recommended that PPCL should:

- Amend Mr and Mrs L's accounts to show they had made the regular fortnightly payments of £180 since week 39 of 2013.
- Amend Mr and Mrs L's credit files to show these payments hadn't been missed.
- Compensate Mr and Mrs L £200 for the distress and inconvenience this has caused them.

PPCL disagreed and responded to say, in summary, that:-

- The offer to credit £450 to each account was made as a gesture of goodwill. But this couldn't be used as the basis for a decision based on evidence.
- Mrs L was issued with five arrears letters, and five statements confirming the balance. Mr L was issued with eight arrears letters and four statements. PPCL hadn't received any concerns about these.
- There was also evidence that their books were checked and verified.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where things are not clear, or in dispute, I make my findings on what I think is most likely to be the case. I take into account the evidence which is available to me and the wider surrounding circumstances.

I can see that there were no receipts for Mr and Mrs L's payments, so it's not possible to know for certain whether their accounts had been updated correctly. I accept that Mr C told Mr and Mrs L that he wouldn't be using their payment books and would just record their payments on his iPad, although this doesn't appear to be PPCL's usual practice. I also accept that Mr and Mrs L had asked for receipts for their payments, but didn't receive them. It is also clear from PPCL's own evidence that Mr C's employment was terminated due to fraudulent activity. Payment shorts totalling several hundred pounds were found for those of Mr C's customers whose payments were checked.

I note that PPCL said that there was evidence that Mr and Mrs L's books had been checked and verified. But as they didn't have a payment book, and no receipts were produced, I cannot see how PPCL were able to verify the records as they would have had to rely on Mr C's records. And it is possible that these were incorrect.

Mr and Mrs L said that Mr C hadn't recorded all of their payments after week 39 of 2013. I note that PPCL said that Mr and Mrs L were sent a total of 22 arrears letters and statements so that they should have known the state of their accounts and could have raised their concerns earlier. But for the period from week 39 in 2013 until the end of December 2014, I note that PPCL sent Mrs L only an initial arrears letter in May 2014 on one account, with a follow up letter sent six months later. PPCL sent Mr L only an initial arrears letter on two accounts in May and July 2014. All these accounts have since been paid up or have no arrears. I also note that only one statement was received in the same period on each account in the summer of 2014. So, it doesn't seem that there were in reality many arrears letters and statements sent in this period to alert Mr and Mrs L to a payment problem. I also note that Mr and Mrs L said that they hadn't received any arrears letters or statements during this period.

Mr and Mrs L told PPCL that they had calculated that around £1,805 was missing since Week 39 of 2013 upon the basis that they paid £180 a fortnight towards their repayments (except for one payment in April 2014) . I calculate that if they had only missed one payment from Week 39 of 2013 until the end of December 2014 (when Mr C's employment was terminated), they would have paid £5,760 in total towards their loans. I have looked at the statements produced by PPCL and have calculated that these show a total of £5,084.53 recorded as received on Mr and Mrs L's accounts. This leaves a total shortfall of £675.47. On balance, and in the circumstances of this complaint, I think that it is more likely than not that not all of Mr and Mrs L's payments were credited to their accounts.

I note that PPCL has offered to credit £450 to each of Mr and Mrs L's accounts. But I think that it would be more appropriate for PPCL to amend Mr and Mrs L's accounts to show they've made the regular fortnightly payments of £180 since week 39 of 2013 (other than one in April 2014). And I also think that PPCL should also amend Mr and Mrs L's credit files to show these payments hadn't been missed.

I note that Mr and Mrs L have suffered trouble and upset over a considerable period of time because of these issues. I note that despite requests to PPCL for account statements, these weren't received until around nine months later. I also note that Mrs L then spent a substantial period of time trying to reconcile the accounts. I can also see that inconvenience was caused to Mr and Mrs L as their payment books were removed and receipts for their repayments were not provided to them. I can also see that Mrs L has health issues and has been upset by PPCL's collection activities. I note that PPCL's own notes describe Mrs L as vulnerable and I think that more care should have been taken in PPCL's dealings with her. So, I agree with the adjudicator that PPCL should pay compensation to Mr and Mrs L for the

trouble and upset this matter has caused them. But as both of them have been affected, I think that a total amount of compensation of £400 (£200 each) would be more appropriate.

If Mr and Mrs L are in financial difficulties and are unable to meet the payments due on their loans, I would urge them to contact PPCL to discuss this. I would remind PPCL of its duty to treat cases of financial difficulty positively and sympathetically.

my final decision

My decision is that I uphold this complaint in part. In full and final settlement of this complaint, I order Provident Personal Credit Limited, trading as Provident, to:-

1. Amend Mr and Mrs L's accounts to show they've made the regular fortnightly payments of £180 since week 39 of 2013 (other than one payment in April 2014);
2. Amend Mr and Mrs L's credit files to show these payments hadn't been missed; and
3. Pay Mr and Mrs L £400 compensation (£200 each).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs L to accept or reject my decision before 15 February 2016.

Roslyn Rawson
ombudsman