

complaint

Mr D complains that Provident Personal Credit Limited ("PPCL") has not offered him enough compensation to compensate him for its actions in allowing a third party to take out a loan in Mr D's name. The complaint is brought on Mr D's behalf by his solicitor, Mr E.

background

PPCL entered into a loan in 2012 in Mr D's name, but Mr D had not signed the loan agreement, and the signature on the agreement was very different to that which appeared on previous PPCL loan agreements he had signed. Mr D believed that PPCL had colluded with a third party in allowing the loan to be taken out. PPCL investigated the matter and accepted that Mr D had not taken out the loan. The loan was then paid off by a third party.

Mr D is seeking £1,000 compensation for the distress and inconvenience caused by PPCL's actions.

The adjudicator concluded that there must have been at least some negligence on PPCL's part in allowing a third party to sign for a loan in Mr D's name. But he could not say with certainty that there was any collusion between PPCL and the third party, as this service cannot compel testimony from third parties. He also said that PPCL's offer to pay Mr D £200 compensation was fair and reasonable, and in line with this service's normal levels of compensation. He noted that PPCL had investigated the issue within a reasonable timescale, the issue did not impact Mr D's credit rating, and it was resolved with no financial loss to Mr D.

Mr E disagreed and responded to say, in summary, that the issue had caused Mr D embarrassment and anxiety, and had had a huge impact on Mr D's life. He had also suffered loss of expectation as he would have expected PPCL to be more trustworthy and diligent when applications for loans were made.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

It is clear that Mr D has very strong feelings about PPCL's actions. But this service is not a regulator and it has no power to fine or punish a financial institution for any errors made, or to make awards of compensation which are intended to be punitive, or to require a business to alter its systems. We can only consider a complaint individually on its own merits, and award what we consider to be fair and reasonable compensation for any distress and inconvenience caused directly by an error.

I note that PPCL investigated the issue promptly and it accepted that the loan was not taken out by Mr D. I can see that Mr D has lost trust in PPCL, and he cannot understand how PPCL accepted the third party's signature as being his own when it was very different to his own signature. But I cannot establish the true facts of what happened, as I am unable to compel testimony from PPCL's agent or the third party.

Nevertheless, I do recognise that what happened has upset Mr D a great deal. I am also mindful that the amount of compensation offered by PPCL is far less than Mr D believes he should receive. I have not seen any evidence of out of pocket expenses, and as the loan has

been paid off, I find nothing to indicate that he has lost out financially as a result of what happened. I am aware that Mr D would like £1,000 compensation. Whilst I understand his strength of feeling in this matter, where this service makes an award for distress and inconvenience, the award we make generally tends to be modest. Bearing in mind the general level of awards that this service makes and in the circumstances of this complaint, I am satisfied that £200 compensation is appropriate.

my final decision

My decision is that I uphold this complaint in part. In full and final settlement of it, I order Provident Personal Credit Limited to pay to Mr D £200 compensation.

Roslyn Rawson
ombudsman