

complaint

Mr A's unhappy that despite wanting to pay off one of his two loans, Provident Personal Credit Limited split the money he paid and used it to reduce both loans. He wants the error corrected, a refund of interest and for one loan to be paid off.

background

Provident said in its final response that it wasn't able to allocate payments to one agreement if the agreement the customer wishes to settle is in arrears. It told its customers of the negative impact of allocating weekly payments towards a certain agreement and not paying others at the agreed weekly amount. It can't reallocate payments made.

Our adjudicator felt this complaint shouldn't be upheld. She said:

- Mr A wanted to pay off a larger loan leaving a smaller one outstanding.
- When Mr A took out his loans he would've received information from Provident. Amongst other things it said *"As a responsible lender we cannot allow you to overpay one loan while other loans are showing as underpaid because this has a negative effect on your account with us... You can still overpay on any of your loans and earn a rebate for early settlement as long as you make the agreed full weekly repayment against each of your loans first."*
- We aren't a regulator and can't ask Provident to change its processes. We can only look at the process and see if it was followed correctly.
- In this case Provident's usual process was to spread payments over both of Mr A's loans as they were both in arrears at the time. Provident hasn't made an error and she can't ask it to do any more.

Mr A doesn't agree and has asked for an ombudsman review. In summary he says when he made the payment, as far as he was aware, he was up to date on his payments. Provident later said he was one payment short on his smaller loan. If it'd told him he would've paid it. But he's now still left with two loans.

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 agree with the adjudicator's conclusions for the same reasons.

Taking everything into account, although I recognise Mr A's frustration, I don't think Provident's done anything wrong. And I don't think I can fairly or reasonably require it to reallocate the money Mr A paid and pay off one loan.

Overall I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 February 2017.

Stephen Cooper
ombudsman