

complaint

Miss L is unhappy with how Provident Personal Credit Limited has collected repayments on a loan. She says because of this, she can no longer afford it.

background

Miss L took out a loan with Provident in June 2017. She arranged to make repayments weekly, with a representative from Provident to visit her home to collect the money. Payments were due to be collected on Wednesday morning every week.

Provident came to collect the first repayment without issue. But, Miss L says nobody came to collect the next few payments – or they turned up on the wrong day or wrong time.

Miss L complained to Provident. Provident apologised and paid Miss L £200 compensation – the same amount that she'd borrowed. It said it would come to Miss L's house at the agreed day and time moving forward. And, it agreed to change Miss L's credit file to reflect the fact it wasn't her fault the repayments weren't made.

Miss L wasn't happy with this. She thought because Provident didn't collect repayments as agreed, she shouldn't have to pay off the rest of the loan. And, she said because of what Provident did, she couldn't afford to keep making the repayments.

Our investigator didn't uphold the complaint. She said she thought it was reasonable that Miss L should still owe the money she borrowed from Provident. And, she didn't think Provident had caused Miss L financial difficulty – so it wasn't responsible for Miss L being unable to make the repayments. Miss L disagreed – so the complaint has been passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I don't think this complaint should be upheld. I'll explain why.

What I need to think about in this case is if Provident should write off the loan because of what went wrong. I also need to consider whether Provident caused Miss L financial difficulty by not collecting her repayments. If it did, I need to think about what it should do to put things right.

There's no dispute in this case that Miss L agreed to borrow money from Provident - and she received it. I don't think it's fair or reasonable to write off the debt because repayments weren't collected on the agreed time or day. I say this because Miss L had use of the funds she borrowed and the loan is still in place.

When Provident didn't collect the money from Miss L in person, the loan wasn't repaid by any other method. No funds were taken from Miss L, but it seems that she may have spent this money on other things. From what I've seen, I don't think Provident caused Miss L's current financial difficulty by not collecting her repayments when it should've. It seems from the notes Provident has made following its discussions with Miss L that she's having money troubles generally, possibly due to a change in circumstances since she took out the loan.

Provident has accepted the service it gave Miss L wasn't what she would've expected. I'm satisfied that by not turning up at the agreed day and time Provident caused Miss L some trouble and upset – especially considering the medical issues Miss L told us about. But, I think the £200 already paid to Miss L is a fair and reasonable amount of compensation to put this right.

I've thought about everything Miss L told us about this complaint – including what she said about believing the debt was 'scrapped' because she received the cheque for £200. But, I haven't seen anything to make me think Provident told her this was the case and I think it was just a coincidence that the compensation amount she was paid was the same as the amount she'd borrowed.

I can see that Provident suspended collections activity recently and asked Miss L to complete an income and expenditure form so it can assess her current ability to repay the outstanding loan. I'd encourage Miss L to get in touch with Provident now to discuss repaying the loan, if this hasn't been worked out already. Provident should treat her positively and sympathetically if she's still in financial difficulty.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 29 May 2018.

John Bower
ombudsman