

complaint

Mr B complains that Provident Personal Credit Limited (Provident) has unfairly sought a debt from him that he had already paid.

background

In early May 2017 Mr B took out a £200 cash loan with Provident. This loan was to be repaid over 13 weeks with a weekly payment of £22 – a total repayment figure of £286. This was a home collected loan and either required an agent to call at Mr B's home to collect the weekly payments, or these could be made remotely via telephone payments.

The payment history for Mr B's loan shows a payment was made as a remote payment by phone on 16 May 2017 after it couldn't be collected by the agent the day before. A cash payment was collected on 22 May 2017 and a further remote payment was made via phone on 31 May 2017.

Mr B said he was informed by the agent collecting the cash payment that Provident was going to be changing the way it operated in his area – and he would no longer be able to make cash payments to his loan. Mr B said he decided to clear the remaining balance on the loan at this point because of this. He said that he made a payment in cash to the collection agent for the balance owed on the account.

Mr B complained to Provident in April 2018. He'd checked his credit file and it showed he had an outstanding debt of £220 which he said was wrong – as he's paid £180 to clear the outstanding balance on his account in May 2017.

Provident said it sent Mr B arrears letters on his account in June 2017 and December 2017. These both showed the outstanding balance on the account was £220. It said it couldn't agree that a payment had been made to clear this balance on his account previously. And what Mr B said he'd paid before wouldn't have been enough to clear the balance. So it couldn't agree to now clear these arrears or amend Mr B's credit file.

Mr B says this payment was made on 31 May 2017 to the collecting agent and he's provided a statement from his bank account to show the cash withdrawal of £220 which he said was used for this. And he actually paid £220 not £180 as he'd previously thought. He says from this point he believed the account to be repaid. He feels it isn't fair this wasn't paid to his loan account. He was never given a payment book to show receipt for his payments so has no way to evidence this payment was made but this isn't because of anything he has done wrong.

Our investigator looked at Mr B's complaint and said she wasn't persuaded the payment had been made. The time line of events and amounts paid to the account didn't correspond with the payments on the account. And although Mr B could show he had withdrawn £220 from his account on the 31 May 2017, she didn't think this meant it was paid off his loan balance. So she didn't think Provident was wrong when reflecting this on Mr B's credit file.

Mr B disagreed and the complaint has been passed to me for an ombudsman's final decision.

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've decided not to uphold this complaint, for much the same reasons as our investigator and will explain why.

Mr B said he believed he'd repaid the balance on his loan from 31 May 2017 and it was only when he checked his credit file almost a year later that he realised this hadn't happened. Although this all happened relatively recently, I appreciate memories can and do fade over time. And I've looked at the information available to decide what I think is more likely to have happened based on this.

Mr B said he never received a payment book for his loan and he feels it's difficult to prove what he paid because of this. But there is a record of what was applied to the account. These show three payments in total as I've mentioned above. And the final payment was applied to the loan account on 31 May 2017.

After the payment at the end of May 2017, Provident said it tried to contact Mr B a number of times. One of the ways it did this was via phone. Its records show that a call was made by a local development manager to Mr B on 12 June 2017 and it was explained to him that he was currently in arrears with £44 owed – two weeks missed payments. The notes indicate that Mr B was unaware he'd missed these payments but he intended to repay the account in full.

This was nearly two weeks after Mr B said he recalls paying the balance of the account to Provident's agent, collected from him at his home. And nearly two weeks after Mr B has shown us he withdrew £220 from his current account. Had Mr B already paid the loan off two weeks earlier, I would have expected him to question why he was now being asked to pay arrears on it at the time.

Following this, Mr B was sent an arrears letter for his loan on 30 June 2017. These were correctly addressed and I've not seen anything to suggest there was an issue with his post at the time. Provident also sent Mr B another arrears letter on 30 December 2017 but as I've said, Mr B didn't complain about believing he'd already repaid this until some months later. And again, I would have expected Mr B to question why he was receiving this arrears letter for his loan if he had paid it off a month earlier.

Having looked at everything, I'm not persuaded the £220 Mr B said he withdrew from his current account on 31 May 2017 was used to pay the balance outstanding on his loan. Mr B feels he made this payment to the collecting agent and it was them not applying this to his loan which has caused the issues here. I don't dispute that he intended to repay this in full – as he explained two weeks later to Provident this is what he wanted to do – but it doesn't appear this happened. And I can't ignore that Mr B hasn't been able to confirm consistently what he did pay and when.

Overall I don't think Provident has been unfair in recording loan as unpaid and in arrears as this is an accurate reflection of what it has received.

my final decision

For the reasons I've explained above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 December 2018.

Thomas Brissenden
ombudsman