

complaint

Ms G complains that Provident Personal Credit Limited pursued her for a debt, which she said she'd already paid. They have since sold the debt to another company and she's unhappy about that too.

background

In November 2015, Ms G sent a cheque to Provident for the £97.21. She intended it to be in full settlement of her account. Shortly after that, Provident wrote thanking her for paying off her loan.

Ms G heard no more about it until March when she was chased by Provident for payment. Ms G was very upset, but they explained to her that the cheque had not cleared and so she still owed the debt.

Ms G didn't think that could be right and complained to our Service. Ms G has had a number of other complaints with us. The problems revolve around the use of the cheques.

Unfortunately, Ms G has been using a service calling itself WeRe Bank. Ms G has already heard this from other ombudsmen, but I'm afraid I also have to tell her that WeRe is not regarded as a bank by the Financial Conduct Authority and it does not have a licence.

In Ms G's other cases, businesses have not accepted the cheques, as they did not think the money was there to support the payment.

In this case, our adjudicator explained that Provident accepted the cheque in good faith, but as suspected by others, Provident in fact discovered there was no money to support the cheque.

He thought that the letter of confirmation was written in the window of the cheque-clearing cycle when an account is credited, but just before funds are actually deposited. They also wrote that letter in good faith.

As to selling the debt whilst the complaint was with us, the adjudicator thought it's preferable if they don't. But because Ms G had initially taken out the debt and it was still owing, it wasn't wrong of them to sell it.

Ms G remains unhappy and so her complaint has come to me for a 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 can understand why Ms G feels upset. She thought that she had found a way to solve her financial concerns. And for a time, with Provident, that seemed to have been the case.

But Ms G wasn't writing a cheque as normal where money was leaving one of her accounts. She was paying for a service where she thought WeRe would honour the cheque on her behalf. But that was not the case.

The money was not there to support the payment. If it had been, the cheque would have cleared.

Ms G had been encouraged to write to Provident to ask for confirmation of the payment. I'm afraid that was designed to exploit the window when the account looked credited, but before the end of the cheque-clearing cycle.

I don't accept that the letter should be relied on by Ms G. For want of full payment, Provident were entitled to say that the debt was still outstanding.

It is unfortunate that it took a while for Provident to work out that they hadn't got the funds. And it may have been helpful if they'd explained in their first letter what had happened. But based on the reality that they never received the money, I can't say they were unfair to tell her she still owed them money. Nor do I think they were wrong to sell on the debt.

Provident are aware, however, of Ms G's situation now. Moving forward, I would expect them to treat her positively and sympathetically. But as far as this complaint is concerned, I don't require them to do anything more.

my final decision

To resolve this complaint, I don't require Provident Personal Credit Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 18 November 2016.

Anna Keighley
ombudsman