

## **complaint**

Ms L complains that Provident Personal Credit Limited inappropriately and irresponsibly lent money to her. She wants Provident to reverse all loans agreed after August 2010, and not to contact her again.

## **background**

Between 2007 and 2010, Ms L entered into several loan agreements with Provident. In August 2010, she obtained help from a relative in repaying her debt.

Ms L also wrote to Provident in August 2010, asking it to stop sending her marketing literature and sending agents to her home, and to stop giving her loans. But Provident agreed several further loans with her since November 2010.

Ms L complained to Provident saying that, whenever she was close to paying off a loan, it would offer her a new loan, thereby extending and increasing her liability. Provident responded to say that it had adhered to her August 2010 request, that she had instigated the new loans, and that it had done nothing wrong in providing them.

Ms L again obtained help from her relative. Ms L's relative, acting on her behalf, referred her complaint to us in April 2015. He told us he believed that she was a vulnerable adult, although she did not have medical diagnosis to support this view. He said that she was unable to comprehend the financial impact of taking out loans at just under 400% APR, and that these loans were for her unaffordable.

Ms L's relative also agreed with Provident a settlement figure of £1,393. This payment was made to Provident in May 2015.

Our adjudicator thought the complaint should be partly upheld. He noted that Ms L and Provident disagreed over who had contacted whom about further loans after August 2010. He also accepted that, even though Ms L had asked Provident to stop contacting her, she still had a responsibility to ensure she did not enter into new loans.

But our adjudicator said he had seen no persuasive evidence from Provident to show that, in making decisions about these new loans, it had taken into account:

- Either Ms L's August 2010 request
- Or her ability to be in a realistic position to repay the loans in a timely manner

Our adjudicator felt this was significant, because it seemed to him that Provident should have used its knowledge of Ms L's borrowing history with it, in order to recognise that she had experienced repayment difficulties before. In his view, Provident either did not check her borrowing history, or chose to ignore it.

Our adjudicator concluded that both parties were partly at fault in this matter. As a result, he recommended that Provident should refund half the settlement figure to Ms L. He also recommended that it should remove her from its database and mailing lists, and instruct its staff not to call at her home.

Ms L agreed with our adjudicator's recommendations. But Provident disagreed, saying:

- Ms L signed agreements to confirm that the loans were affordable
- Her previous repayment history and other relevant information would have been taken into account, when her applications were considered
- It had no evidence to suggest that she did not understand the implications of the loans, or that she instigated her application without sufficient knowledge
- It could not discriminate in its lending decisions, and could only prevent someone from borrowing further when there was evidence to suggest that there might be some detriment as a result
- If it were to receive evidence showing that Ms L did not understand the implications of the loans, it would be willing to reconsider this matter

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where evidence is incomplete, inconsistent or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

On the one hand, Provident says it could not discriminate in its lending decisions – although, if it were to receive evidence showing that Ms L did not understand the implications of the loans, it would be willing to reconsider this matter. It also says that Ms L approached it about the further loans after August 2010.

On the other hand, Ms L's relative says the self-certification method of affordability checking, used by Provident, does not lead to it acting as a responsible lender. Also, Ms L says that Provident approached her about the further loans.

On balance, I agree with our adjudicator that both parties were partly at fault in this matter. Ms L or her relative, on her behalf, are partly at fault because they have not supplied evidence to Provident that she is a vulnerable adult. But they have asked Provident to stop providing loans to her, and they have pointed to her earlier problems in making repayments.

Equalities legislation tells Provident when it would be unlawful to discriminate, and it needs to act within those constraints. But Provident also needs to act as a responsible lender, and this is where I share our adjudicator's view that it is partly at fault. There is a lack of evidence that Provident acted with a sufficient level of responsibility.

This means I find that I have come to the same conclusion as our adjudicator, for the same reasons. And I agree with his recommendations for resolving this complaint.

### **my final decision**

For the reasons explained above, my final decision is that I uphold this complaint in part. In full and final settlement of it, I order Provident Personal Credit Limited:

1. To refund to Ms L half the settlement figure of £1,393, paid to it in May 2015
2. To remove Ms L from its database and mailing lists, and to instruct its staff not to call at her home

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 28 October 2015.

Roy Mawford  
**ombudsman**