

complaint

Miss J complains that Provident Personal Credit Limited recorded a default on her credit file for a loan she had repaid.

background

Miss J says that she recently checked her credit file and realised that a default had been recorded by Provident for £10 in 2012. She says that she had repaid this loan in full.

Miss J says that she raised this with Provident and her complaint was not upheld but she was sent a cheque for £10 because she had overpaid on her account. She says that she understands the affect of a default on her credit file and so would have paid the £10 if she had known it was outstanding.

Provident says that Miss J missed a number of payments and her account fell into arrears. It says that after a period of consecutive missed payments her account was passed to its central collections team. It says Miss J then made payments until May 2012 at which point the outstanding balance was £10. It says it wrote to Miss J and tried to call her about her payments but did not receive a response.

Provident says that Miss J's account was transferred to a debt collection agency in October 2012 and a default recorded. It says Miss J then made two payments of £10 each: one to Provident; and one to the debt collection agency. It says that it discovered that she had made an additional payment when investigating her complaint and sent her a cheque for the £10 overpayment.

The adjudicator said that based on the payment information provided by Provident Miss J had an outstanding balance of £10 in May 2012. He says that although Miss J made two further payments of £10 each towards her loan these took place after the default had been recorded. He said that based on the Provident information and because Miss J could not show evidence that her repayment happened earlier he concluded the default had been recorded accurately.

Miss J said that she did not receive any letters about the outstanding balance on her account and that if she had been contacted she would have paid the £10 immediately to avoid a default being recorded.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss J says she believed she had fully repaid her loan and so was shocked to see a default recorded on her credit file. I understand her comments that given the default amount was only £10 had she known about this she would have repaid it.

My role is to decide whether or not Provident did anything wrong by recording the default.

I have looked at Miss J's payment history for her loan and can see that a number of repayments were missed in 2009 and 2010. I have seen evidence that she was sent letters about the arrears on her account at that time. Because of the missed payments her loan was

transferred to Provident's collections team. I appreciate that she then made repayments up to May 2012.

In May 2012, Miss J's account shows a balance of £10 outstanding. No further payments are recorded until November 2012. Based on this and the information provided about Miss J's account being transferred to a debt collection agency in October 2012, I find that the default recorded on her credit file provides an accurate reflection of her account at the time.

Miss J then made two payments, the first to Provident for £10 in November 2012. This settled her account and Provident updated her credit report to show the account as satisfied. I find this reasonable. I find it reasonable to accept that Miss J would not have made these payments had she thought her debt had been fully repaid in May.

When Provident investigated Miss J's complaint it realised that Miss J had paid the debt collection agency £10 in December 2012. This payment was not required and resulted in Miss J's account being overpaid by £10. Provident sent Miss J a cheque for this amount which I find reasonable.

Overall, I do not find that the default has been incorrectly recorded and so I do not require Provident to do anything in settlement of this complaint.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 10 June 2016.

Jane Archer
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