

complaint

Miss B complains that Provident Personal Credit Limited is asking her to pay a debt that she says she settled several years ago. Miss B wants Provident to cancel the debt and remove the loan and adverse information from her credit records.

background

Miss B took out a loan known as *Home Credit*. That is a product where a small value loan – in this case £150 – is provided and payments are collected, often weekly, by an agent.

Miss B says she repaid the loan to the agent within a cooling-off period. And, believing the loan to be repaid, saw no reason to tell Provident when she moved home. She discovered that the loan was outstanding – and had increased because of fees – when she checked her credit file some years later.

Provident says that it has no record of Miss B repaying the loan and it remains outstanding.

The adjudicator recommended that this complaint should be upheld. She concluded that Miss B had most likely repaid the loan and that Provident's lack of records of activity on the account supported this. She recommended that Provident cancel the debt, correct Miss B's credit records and pay £100 compensation for the distress and inconvenience it had caused.

Provident says that if Miss B had paid the debt as she says then there would be paperwork to support this. And it says it wrote to Miss B about the debt but got no response. Provident has asked that the complaint be reviewed by an ombudsman.

my findings

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

A *Home Credit* loan is based on a collections programme agreed between an agent and the borrower. That means a time is agreed for the agent to call and collect regular payments – generally weekly. A form provided by Provident shows that this is the arrangement Miss B agreed to for this loan.

Provident has provided a record to show that an agent called to see Miss B for several weeks, although Miss B says this did not happen. But Provident has not explained how it collected £1.25 on a visit a couple of weeks after Miss B says she paid the debt in full. Nor are there any notes to say why the weekly collection visits were unsuccessful.

Provident also says it wrote to Miss B – but has shown us no evidence that it actually did so. Nor has it provided copies of letters it says were sent by its solicitor.

I am satisfied, on balance, that the lack of records and evidence support Miss B's version of what happened.

Provident says it was writing to the address it had for Miss B and is not responsible for any non-delivery as she had not said she had moved. That may be so, but as Provident has not provided any evidence that it did send arrears letters it does not impact on my decision. And it is clear from internal records that Provident knew Miss B had moved some months before it says it did. That is less than the standard of service Miss B should expect.

my final decision

My decision is that I uphold this complaint. In full and final settlement, I order Provident Personal Credit Limited to:

- Cancel any debt outstanding on its records.
- Contact the relevant credit reference agencies to remove any adverse entries related to this loan and show it as repaid in 2010.
- Pay Miss B £100 compensation for the distress and inconvenience it has caused.

Susan Peters
ombudsman