

## **complaint**

Mr W complains that changes Provident Personal Credit Limited (“Provident”) made to the way it conducted its business resulted in arrears accruing on his loan accounts with Provident.

## **background**

Mr W took out two loans with Provident, the first in September 2016 and the second in April 2017. Initially Provident’s business system provided for Mr W to make regular payments to self-employed agents of Provident, who would visit him at home. Mr W made payments, and kept his accounts up to date, until the end of June 2017.

At this time Provident altered its business system. It dispensed with its self-employed agents and instead arranged for payments to be made through an employed “customer experience manager”. Mr W says following this change, he had no contact with any of Provident’s representatives, and when he tried to contact Provident by phone no one answered.

The result was that he stopped making repayments on his loan accounts. In August 2017 he complained about the situation to Provident. He was concerned that arrears were accumulating, and this would affect his credit file.

In November 2017, Provident wrote to Mr W accepting his complaint. It acknowledged that the changes it had made to its business system had caused a disruption in its service, and that it would be unfair for this to affect Mr W’s future creditworthiness. It said:

- it had taken steps to ensure any missed payments caused by this disruption weren’t reflected on his credit file; and
- it would make allowances for the acknowledged disruption in service to make sure he wasn’t penalised in considering him for future loans.

Provident said it would arrange for Mr W to be visited by his customer experience manager, and gave him her direct telephone number. By way of further apology it paid him compensation of £50.

Mr W didn’t accept that this resolved his complaint and complained to us. He was worried that his accounts still showed the missed payments as arrears. He wanted his accounts to be adjusted so that he wasn’t in arrears, as had been the case before Provident altered its business system.

Our adjudicator didn’t recommend that this complaint should be upheld. He said Provident had acknowledged that the changes it made had impacted on Mr W’s repayments, and had taken steps to rectify this. It had confirmed that the missed payments wouldn’t affect his credit file and had paid him compensation of £50, which the adjudicator thought was fair.

Mr W said he had tried unsuccessfully to contact Provident to make payments, but was unable to get through. However customers had a responsibility to make agreed payments. So he thought it would have been reasonable for Mr W to contact Provident to make payment over the phone, or to set up a different payment method.

As Mr W was aware that payments were due, the adjudicator couldn't recommend that the account be treated as not in arrear. He said Mr W should contact Provident to agree the repayment of the arrears by an affordable repayment plan.

Mr W responded to say, in summary, that:

- Provident's changes to its business system, by no longer collecting payments from customers at home, was a failure of its basic responsibilities;
- some of its representatives who did call didn't have Provident identification, so he wasn't willing to hand over cash to them;
- it was simplistic to say that he should have made more effort to make his payments. This ignored the turmoil Provident was in at the time;
- if Provident accepted that it was at fault for the disruption to its service, then why couldn't it confirm his accounts as no longer being in arrears. He was concerned that at some time in the future the arrears might be reported as arrears on his credit file and so affect his credit rating in future.

Mr W wanted confirmation that his present arrears wouldn't be shown as such on his credit file at any time while his agreements continued. He asked what recourse he would have if Provident later did show the arrears on his credit file.

The adjudicator still thought the steps Provident had taken were reasonable. Mr W had tried to contact Provident without success. But he knew the payments were due. The adjudicator thought it would have made sense, as Mr W knew he would be going into arrears, for him to keep hold of the expected repayments so that he could make a bulk repayment when he was able to speak to Provident, or a representative could come and collect a payment from his house.

### **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 that given Provident's original business system, the changes it made were disrupting to Mr W's repayments. He found it worrying that he couldn't make payments on time and arrears were mounting up.

Until the end of June 2017 Mr W seems to have made his payments regularly. Usually these were paid weekly, but sometimes he paid up to four weeks in advance. However payments stopped completely at the beginning of July 2017.

Mr W clearly knew that arrears were mounting up. Like the adjudicator, I think he could have done more to find an alternative way of paying, or could have kept money on one side until he could make a bulk payment. So I don't think it would be reasonable for me to say that the payments he didn't make shouldn't be treated as arrears.

I think what Provident offered in response to Mr W's complaint was reasonable at the time in November 2017. Since then I understand Mr W still hasn't resumed payments, and hasn't made any arrangement with Provident to start paying off his arrears. Provident says that while information is included at present on Mr W's credit file showing his non payment, this would be removed once his accounts have been brought up to date.

In the circumstances, I can't reasonably direct Provident not to treat the payments Mr W has missed as arrears. I would simply urge Mr W now to make contact with Provident, and to come to an affordable arrangement in respect of resuming payments and paying off his arrears.

**my final decision**

My decision is that I don't uphold this complaint, and make no order against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 February 2019.

Lennox Towers  
**ombudsman**