

## **complaint**

Mrs M complains that she was mis-sold a loan by Provident Personal Credit Limited.

## **background**

Mrs M took out a Provident loan in 2015 for £400. She says she wanted to borrow a further £500 in 2016. Mrs M says she was told by Provident this would increase her monthly repayments to £20 a week. She accepts being given £500 by Provident but says she has now found out she was given a loan of £800 at a higher interest rate. Mrs M says she wasn't given a copy of the agreement or that any affordability checks were carried out.

Provident says it hasn't made a mistake. It says the first loan had an outstanding balance of over £300 when the second loan for £800 was taken out, and used the new loan to repay this outstanding balance. It also says all proper checks were carried out and it sent Mrs M a copy of the new agreement.

Mrs M complained to us but our investigator didn't uphold her complaints. She thought there wasn't any dispute that Mrs M had entered into an agreement with Provident but a dispute about the amount borrowed. The investigator thought that Provident hadn't made a mistake and the balance on the second loan was used to repay the first loan.

Mrs M doesn't accept that view and says the annual interest rate on the second loan was increased to an unfair amount. She also says she's been charged interest twice and the loans should've been kept separate. Mrs M would like her complaint reviewed and says Provident has acted unprofessionally.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've come to the same overall conclusions as the investigator. I realise that Mrs M will be disappointed by my decision and how strongly she feels about what's happened.

I've looked through Provident's records of both loans. I'm satisfied that when Mrs M took out the second loan there was still a balance on the first loan. I can see that Mrs M wanted to borrow £500 and she accepts her weekly repayment would increase to £20. So I don't think Provident has made a mistake or that Mrs M has lost any money. Provident's records satisfy me that the second loan was partially used to repay the balance on the first loan and the rest given to Mrs M. I can also see that the interest rate on the second loan was less than the first loan. So I think on balance by lending in this way Mrs M may have saved money.

I appreciate Mrs M says she didn't receive the second loan agreement. I can't fairly hold Provident responsible for that that as it isn't responsible for the delivery of the mail. But I think Mrs M could've told Provident she hadn't received it. And she may have questioned why she was making one repayment and not two if she believed the first loan was still in place.

I'm satisfied that Provident, having looked through its records, did carry out checks on Mrs M's finances before lending. And I don't think she has been charged interest twice by the first loan being settled early. I have said why I think that may have cost Mrs M less money not more.

Overall I'm satisfied Provident hasn't made a mistake and I've not seen any evidence Provident acted unprofessionally

**my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 2 January 2018.

David Singh  
**ombudsman**