

complaint

Miss Y complains that Provident Personal Credit Limited was irresponsible in lending her money.

background

Miss Y took out six loans from Provident between December 2008 and August 2012. She says she was advised by the collector what to write so her applications would be successful. She also said she didn't have time to read over the documents. In 2017 she complained to Provident. It said her complaint about the earlier loans was out of time and that it hadn't done anything wrong.

Miss Y brought her complaint to this service where it was considered by one of our investigators. She explained that any complaint about loans taken out before June 2011 fell outside our jurisdiction, but she was able to consider the three loans taken out in November 2011 and August 2012.

She noted that Provident took Miss Y's net weekly income details, worked out her outgoings and then calculated the disposable income had based on what she told it. Provident's records showed she had a disposable income of £214 for the application of the loan in November 2011 and £135 for the loan in August 2012.

She acknowledged that Miss Y had said she had entered the information that the collection agent told her to write but unfortunately, as she wasn't there at the point of application, she could only rely on the information she had seen. Using such an affordability calculator was acceptable under the guidance on responsible lending.

The investigator also obtained the Credit Reference Agency (CRA) reports Provident had relied on for the last three loans. The credit report showed a number of searches, but there was no adverse information about any of Miss Y's credit accounts reported in the last 6 months. Therefore she didn't think Provident had done anything wrong.

Miss Y didn't agree and said that during 2011 she had two recorded defaults which are detailed in her credit report. This adverse information would have indicated to the Provident that she was in financial trouble. The investigator said that these had been placed on the report in 2009 and Miss Y had added correction notes to them. Having historical defaults doesn't mean that an individual is facing current financial difficulties.

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 have every sympathy with Miss Y, but I find myself in agreement with the investigator. I appreciate that Miss Y says she was led by Provident's agent in making her loan applications. This implies that the information she provided was wrong. I cannot say what occurred when she met with the agent and I have to rely on the application documents which she signed.

These show that the loans were affordable at the time she took them out. The credit reports from the time of the loan applications also were such that it wasn't unreasonable for Provident to have offered to lend to her. I appreciate that she had previously fallen into arrears, but at the time of the applications it was reasonable to conclude she could afford to maintain the regular payments.

I appreciate Miss Y will be disappointed with my decision but I cannot safely uphold her 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 Y to accept or reject my decision before 18 January 2018.

Ivor Graham
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