

complaint

Mr D complains Provident Personal Credit Limited lent him money irresponsibly. He wants the interest on the loans refunded.

background

Mr D tells us he's taken out several loans with Provident which were paid off in full. But he'd then been offered more credit which he'd accepted. He says the agent didn't carry out proper affordability checks - and suggests she may have inputted falsified information. And he says at no time was he asked to provide details of changed circumstances. During the period of loans he said he'd changed jobs and his income had dropped significantly. Mr D claims the agent also paid money for his latest loan to his partner who I'll call "L" - when he (Mr D) wasn't present. He says L also complained about the same agent using falsified figures on L's loans - and Provident upheld that complaint.

Provident issued a final response letter in December 2017. It said it felt Mr D's complaint wasn't consistent as he'd said he hadn't received the money from the latest loan - but had made several payments before eventually they'd ceased. And in regards to Mr D not being offered further credit it said this would be based on such things as credit checks, missed payments and other indicators of affordability.

The investigator did not recommend the complaint should be upheld. He set out details of loans taken out by Mr D. And said Provident had provided details of the information used to approve the loans along with credit checks. And whilst he accepted the information on which the latest loan had been based appeared to be incorrect - that didn't mean Provident had been irresponsible. He said he hadn't seen anything to suggest the loan wouldn't have been made - even if the correct information had been used - as Mr D appeared to have a healthy level of disposable income.

Mr D didn't agree and asked for an ombudsman to make the final decision. He says he didn't understand how one complaint (from L) regarding the same issues and agent could be upheld and another not.

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 see Mr D has had several loans from Provident - the latest starting in December 2016. And I can see he's not made all the required payments on that loan. This may indicate he's having financial difficulties - and if that's the case then I'm sorry he's experiencing this problem.

There's been a lot of information provided by both parties in this complaint. And if I don't mention every item in my decision it's not because I haven't considered it and taken it on board - it's that I don't need to mention it separately to reach what I think is the right outcome.

Before issuing credit a lender is required to make affordability checks. And whilst these checks aren't prescribed - they must be sufficient and proportionate to a number of criteria - including - but not exclusively - the amount of credit offered.

And where evidence is missing, unsubstantiated or contradictory as some it is here I have to make my decision on the balance of probabilities. That is to say what I think "*probably*" happened.

There are a number of issues which Mr D has raised which relate to the alleged actions of the agent who arranged the loans. Obviously I wasn't there so can't say for sure what took place. And it's important to note that I can only deal with concerns about the loans referring to Mr D.

From the evidence I've seen Mr D's circumstances changed significantly between the time he took out a loan in May 2015 and the loan in December 2016. He changed employment and his bank statements indicate his income reduced prior to the latest loan. That doesn't appear to be recorded on any affordability check. I can't say why that was - or whether the agent was aware of this change. Nor can I say if the loan itself was paid in cash to L and not Mr D. What I can say is that the loan was made in Mr D's name and as far as I can see no complaint was raised about the circumstances until November 2017. It seems to me if Mr D hadn't been happy if the money had been given to L he'd have raised it at the time. As it was he made several repayments before the issue was raised.

And the investigator was correct in saying that our approach to affordability is based not only on information being correct - but whether credit would have been offered had the right information been used. The loan in December 2016 was for £500 - with repayments at £18 per week. Mr D appears to have had sufficient "*spare*" income to afford this - even though his income had reduced. So I think it's probable the loan would have been granted even if the accurate figures had been used.

I'm aware Mr D can't see why his complaint should be viewed any differently to that of L. And I can see Provident accepted there were inconsistencies in that case - suggesting figures had been "*made up*". But an irregularity in one case does not necessarily point to irregularities in every case. And as I've already indicated the accurate figures suggest the loan - on the surface a modest amount for someone in employment even with Mr D's reduced income - would've been made anyway.

When later credit was declined that also suggests Provident was operating proper checks on affordability as otherwise it might be expected further credit would have been granted.

I'm aware Mr D has raised concerns about agents calling and leaving cards at his home - and considers this borderline harassment. But a business would be expected to keep in touch with a current client - particularly if money was owed. And I've not seen any evidence that any contact was outside what we would consider normal or acceptable methods of collection.

So I'm in agreement with the investigator that this complaint should not be upheld. And whilst it is not my role to offer advice - I can say if Mr D is experiencing financial difficulties we'd expect Provident to treat him positively and sympathetically in trying to reach an agreement about repayments.

my final decision

For the reasons given above my final decision is I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 18 October 2018.

Stephen D. Ross
ombudsman