

## **complaint**

Miss J complains Provident Personal Credit Limited was wrong to register a default on her credit file because it didn't set up a regular way of paying for her - and sent a default notice to the wrong address.

## **background**

Miss J took out this loan with Provident in 2012. She repaid a previous Provident loan with payments made direct from her bank - and wanted to repay this one the same way. But that wasn't set up, so payments were missed and arrears built up on her account. Provident sent a notice of default, but it used an old address meaning Miss J didn't see it. And she says Provident should remove the default now and rectify her credit file.

Provident says one of its agents told Miss J that Provident doesn't accept direct debits or standing orders. And a continuous payment authority was discussed but never agreed. Its records show Miss J notified a change of address in 2012 - that's the address the default notice was sent to. And Provident wasn't told about any new address after that. So it considers Miss J was properly notified about what was happening on her account. And information was recorded accurately with credit reference agencies.

Our adjudicator doesn't recommend the complaint should be upheld. She's satisfied Miss J knew about arrears in January 2014, but only made one payment after that. She accepts Miss J repaid her earlier loan by standing order - and wanted to set up the same sort of regular payment for this one. But she considers Miss J must have known that wasn't in place because she paid regularly by debit card. And Miss J didn't correct the old address during a phone call with Provident - that took place over six months after Miss J remembers telling the agent about her new one.

Miss J disagrees. She says she complained repeatedly to her agent about Provident's failure to set up a regular payment. And she told the agent about her new address, but Provident didn't amend its records. If it had, she would have received the notice and paid off the debt. So Provident should remove the default from her credit file as it's having a detrimental effect - and that's unfair because she's been making regular payments to collections agents since.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive 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 the light of the available evidence and the wider circumstances. I have reached the same conclusions as our adjudicator for much the same reasons.

I understand Miss J is frustrated that Provident defaulted her account and informed credit reference agencies. I note she paid off her earlier loan and she's maintaining regular payments by direct debit to third party collections agents now. I appreciate she feels she's been treated unfairly and I have no doubt she wants to repay this debt.

Miss J considers Provident should have done more to help her - by setting up a regular payment. And I accept that might have been more convenient. But, I can't fairly find it means Miss J didn't have to keep up with her repayments as they fell due.

I can see that Miss J asked about ways of paying automatically. But, I've seen no evidence that any regular payment method was set up. Like our adjudicator, I'm satisfied Miss J knew that - because she often paid by debit card on the phone. And I don't think there would have been any need for her to do so if payments were being met direct from her bank.

I'm satisfied Miss J should reasonably have known when her payments were due - and taken steps to ensure they were made on time. I realise that wasn't always easy for her because of work commitments, amongst other things. But I'm not persuaded that means I can fairly find Provident shouldn't have defaulted the account when payments weren't made.

Provident has provided recordings of some phone calls with Miss J as well as its customer contact records. I find those to be detailed and consistent with events. And I'm satisfied Miss J was told about arrears and a default notice was sent to the address Provident held for her.

I appreciate Miss J says that was an old address - and she told the agent about her new one around May 2013. But the old address was referred to during a phone call in January 2014. I would have expected Miss J to correct that if it was wrong. And I can't safely hold Provident responsible for Miss J not receiving the default notice it sent a few months later in the circumstances.

For the reasons I have given, I can't fairly conclude that Provident was wrong to apply a default to Miss J's account. And Provident is required to report accurately to credit reference agencies. So I can't properly require it to remove the default now.

I realise my decision is likely to disappoint Miss J because it doesn't require Provident to change the information it supplied to credit reference agencies. But Miss J is able to ask for a Notice of Correction to be added to her file. This could be used to explain why she missed payments. And that information would then be available to anyone reviewing Miss J's credit file and considering her creditworthiness.

### **my final decision**

My decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 21 December 2015.

Claire Jackson  
**ombudsman**