

complaint

Ms M complains that the loans made to her by Provident Personal Credit Limited were unaffordable – and that it shouldn't have lent to her.

background

Provident Personal Credit has lent money to Ms M under a number of loan agreements. That includes loans made in November 2003, December 2004, December 2009 (which was an adjustment to an earlier loan) and December 2011. All of those loans have been settled in full. Ms M complained to Provident Personal Credit earlier this year that: the overlapping loans were bad practice; the loans were unaffordable for her; and they shouldn't have been made. She wasn't satisfied with its response so complained to this service.

The adjudicator recommended that this complaint should be upheld in part. She said that this service only has power to look into complaints about Provident Personal Credit for events that happened after 6 April 2007 - which is when it became part of our compulsory jurisdiction. So she could only look at the 2009 and 2011 loans. The 2009 loan was an adjustment to an earlier loan - it allowed Ms M to repay the outstanding amount by reduced payments of £3.24 a week. The adjudicator couldn't say that Provident Personal Credit had acted incorrectly by doing this. The 2011 loan was for £200 with weekly instalments of £7. Based on the income and expenditure details recorded on Ms M's application form - and taking into account the size of the instalments – the adjudicator couldn't say it was unaffordable. So she didn't recommend that Provident Personal Credit should refund either of those loans to Ms M. But she considered that there had been customer service failings by Provident Personal Credit. So she recommended that it should pay £50 to Ms M to compensate her for the distress and inconvenience that she had been caused.

Provident Personal Credit has accepted the adjudicator's recommendation. But Ms M has asked for her complaint to be considered by an ombudsman.

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 agree with the adjudicator – and for the same reasons. The loans have been repaid by Ms M – so I find that they were affordable for her. And I'm not persuaded that there's enough evidence to show that Provident Personal Credit shouldn't have lent to Ms M. But there were customer service failings – so I agree that it would be fair and reasonable for Provident Personal Credit to pay £50 compensation to Ms M

my final decision

So my decision is that I uphold Ms M's complaint in part. In full and final settlement of it, I order Provider Personal Credit Limited to pay her £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 6 June 2016.

Jarrold Hastings
ombudsman