

## **Complaint**

Mr G says Provident Personal Credit Limited (“Provident”) provided him with a number of unaffordable loans.

## **Background**

This complaint is about home collected credit loans Provident provided to Mr G. Our adjudicator didn’t uphold Mr G’s complaint as she didn’t think Provident had treated Mr G unfairly. Mr G disagreed and asked for an ombudsman review.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint. We’ve set out our general approach to complaints about short-term lending - including all of the relevant rules, guidance and good industry practice - on our website.

Provident says that it only provided Mr G with two loans after 1 April 2007. One for £750 in June 2007 and one for £1000 in September 2007. Mr G says Provident provided him with more loans than this. I’ve seen the letter provided from the agent. But it isn’t in dispute that Mr G’s wife also had loans from Provident. And it’s my understanding that a complaint about these loans was also made.

So I don’t think the agent’s letter saying that Mr G and his wife together were provided with more loans in itself shows that Provident issued more than two loans in Mr G’s sole name after 1 April 2007. In these circumstances, I’m satisfied that I’m only able to consider the loans provided to Mr G in June 2007 and September 2007 as these are the only ones I’ve been provided with evidence of. I’ve therefore considered whether Provident acted fairly and reasonably towards Mr G in respect of these loans.

Provident needed to take reasonable steps to ensure it act unfairly to Mr G. In practice this means that it had to have a reasonable understanding of whether Mr G could afford to pay back what he was being lent plus any interest due.

Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship. But the longer the lending relationship goes on, the greater the risk of the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it hasn’t continued to provide these loans to a customer unfairly.

Provident says it agreed to Mr G’s applications after he confirmed that he’d be able to make his payments. And in these circumstances it wasn’t unfair to lend to him. I don’t know exactly what Mr G told Provident about his financial position was and I accept that it’s entirely possible that his position was worse than he’d let on. I’m also sorry to hear that Mr G was struggling financially and that repaying these loans has been difficult. I also accept Mr G’s actual financial position might well have been apparent if further information – such as credit checks or bank statements – had been obtained. But I can’t see that Provident did carry out any credit searches.

Equally Provident could only make its decision based on the information it had available at the time. Provident being in the early stages of a lending relationship with Mr G, the

regulatory regime in place at the time of these loans and the period of borrowing, all lead me to think that it hadn't reached the stage where it would have been fair to expect Provident to take further steps to verify Mr G's actual financial position.

I think that it might also help for me to explain that I'm only able to uphold a complaint where I can safely say that a lender has done something wrong. And, in this case, I think that Provident didn't act unreasonably even though it looks like the information obtained didn't accurately reflect Mr G's actual financial position.

Provident relied on what it was told and given all the circumstances, I don't think that this is unreasonable. As this is the case, I'm not upholding Mr G's complaint. I appreciate this will be very disappointing for Mr G. But I hope that he'll at least feel his concerns have been listened to.

### **My final decision**

My final decision is that I'm not upholding Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 June 2020.

Jeshen Narayanan  
**Ombudsman**