

complaint

Miss B complains Provident Personal Credit Limited didn't carry out proper affordability checks and irresponsibly granted her unaffordable loans. She says the loan amounts increased significantly and she'd payday loans and defaults on her credit file. She wants the charges and interest refunded on the last two loans and her credit file amended.

background

Provident said in its final response that Miss B had seven loans between April 2008 and May 2012. Its agents assessed Miss B's circumstances including her income and expenditure. In each case she'd enough disposable income to afford the loans. It also considered her payment history. In this period she made 211 repayments at the weekly rate. Three payments were missed and four were under the agreed weekly rate.

Our adjudicator felt this complaint shouldn't be upheld. He said:

- The type of checks carried out for a doorstep loan wouldn't be the same as those for a payday loan as the whole amount doesn't have to be repaid the following month. Provident's loans were repayable over between 50 to 60 weeks. And the weekly repayments were between £9 and £36 a week.
- In this case when granting the last two loans Provident recorded Miss B's income and expenditure. This showed she had a sufficient disposable income to afford the loans. It was reasonable for Provident to grant them.
- Provident also carried out a credit search which didn't give it any reason not to lend to Miss B. A bad credit history doesn't mean a loan is unaffordable. It was up to Provident to decide if it wants to take a higher risk of lending to someone with a bad credit history. In this case it decided to do so.
- Miss B's payment history shows she made her payments for a number of years even when the loans increased in amount. It was only a year after the last loan was given that her payments stopped. This suggests the loans were affordable when given.
- Overall Provident carried out appropriate checks to show the loan repayments were affordable. It didn't do anything wrong lending Miss B the money. It's handled her complaint fairly and he isn't asking it to do anything more.

Miss B doesn't agree and has asked for an ombudsman review. She doesn't think her outgoings were updated. She'd multiple payday loans and was juggling all the repayments before ending up in a debt management plan. Her borrowing was constant and there weren't any gaps.

The adjudicator confirmed that income and expenditure information was collected for these last two loans. Provident wasn't required to ask for or see Miss B's bank statements. It was reasonable for it to rely on the information Miss B gave and there was no reason for it to think it was out of date or incorrect. She'd enough disposable income to afford the loan repayments. There were gaps between the loans. Sometimes up to a year. There wasn't any reason for Provident not to give her new loans.

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 agree with the adjudicator's conclusions for the same reasons.

Taking everything into account, although I recognise Miss B's frustration, I don't think I can fairly or reasonably require Provident to refund any interest or charges on the last two loans or to amend Miss B's credit file as she'd like.

Overall, I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 21 December 2016.

Stephen Cooper
ombudsman