

complaint

Mr C complains about his home credit loan with Provident Personal Credit Limited.

Mr C has been helped with his complaint by a representative. For ease of reading I'll refer to all submissions as having been made by Mr C.

background

In January 2017 Mr C took out a loan with Provident. The loan was for £1,350 to be repaid over two years with weekly payments of £29.70. The total amount repayable was £3,088.80.

Mr C says he was just presented with a tablet and asked for a signature, he didn't know how much the loan was for or what the weekly repayments were. He says he was led to believe the loan was for a new coat for his partner and he wouldn't have agreed had he known the details. Mr C says the money from the loan was used towards his partner's debts. Mr C has also said the loan was unaffordable for him.

Sadly, a short while later Mr C's partner passed away. In March 2017 he complained to Provident.

Provident said they'd correctly followed all their procedures in relation to Mr C's loan and that he should only have signed the agreement if he wanted to become legally bound by its conditions.

Being unhappy with their response, Mr C referred his complaint to our service. Our investigator didn't think it should be upheld, so it's come to me for a final decision.

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 won't be upholding it. I know Mr C will be disappointed by this, so I'd like to explain my reasons.

There is dispute about much of what was said and done in the setting up of this loan. Mr C gives one account and Provident's representatives give a different account. In cases such as this I have to make a decision as to what I think was most likely to have happened based on the balance of probabilities.

Mr C says the loan was in effect arranged by his partner and that she pressured him into taking it. He says she provided all his details to Provident and all he did was sign the agreement. In Provident's final response they said that the electronic signature was done via Mr C entering an authorisation code that had been emailed to him.

Mr C says he doesn't use the internet or emails. So I asked Provident about this. They've confirmed that was a mistake in their letter and that they followed their procedure for customers who don't have an email address. They've also provided evidence of this process, which takes place on a tablet.

In the process Mr C was asked for a digital signature. The screen showed the following information *"I confirm that I have received a product explanation and have been provided with a written copy to take away. This credit agreement is regulated by the Consumer Credit*

Act 1974. In signing it I agree to be legally bound by its terms." Mr C then had to enter his forename, surname and date of birth before pressing 'submit'. I understand that Mr C says he wasn't given that information, but if that was the case I think he should have raised it at the time or not signed the agreement.

At the start of his complaint Mr C said he signed the agreement and he more recently said that he wasn't asked to type in his details to sign the agreement. This is a clear inconsistency. On balance, I think it's most likely that Mr C did enter his details to sign the agreement.

I've not seen sufficient evidence to persuade me that Mr C wasn't given the information he needed about the loan at the time he entered into the agreement. By Provident using the tablet, there are set stages their staff must go through in order to process the loan. I think it's most likely that the correct procedures were followed.

Even if Mr C hadn't been given the correct information at the time as he claims, Provident wrote to him the same day he entered into the agreement. This included a copy of the fixed sum loan agreement. On that it shows the amount and duration of the loan, the weekly repayments and the total amount payable. The agreement allowed Mr C 14 days to withdraw from it, so he had that time to consider if he still wanted to go ahead with the loan.

Even if I were persuaded the arrangement of the loan happened as Mr C describes, I think the further information he was sent would have alerted him as to the details of the loan. And importantly this would have happened in time for him to exercise his right to withdraw under the terms of the agreement.

Mr C says he knew he was signing for a loan, he just didn't know the amount he was borrowing or any details of the repayments. I don't think it's unreasonable to expect Mr C in these circumstances to ask some questions to satisfy himself of the details before signing an important loan agreement. And whilst Provident must act correctly, Mr C should also take responsibility for his own actions.

Provident made the point that Mr C was a repeat customer of theirs. He has had about 15 loans since 2007. As such they feel he is aware of their procedures and how the loans work. This doesn't relieve Provident of their responsibility to clearly explain the loan to Mr C. But I do agree that Mr C would be familiar with the procedures around a home credit loan.

Mr C says the loan was unaffordable. Provident are a provider who specialise in offering loans to those who might otherwise struggle to get credit elsewhere. Part of how they do this is by allowing customers to build their own history with them and they take this into account when considering a lending decision. Provident say they considered Mr C's previous loans as part of their decision to lend. I've not seen evidence that there had been any significant problems with his ability to repay any of the previous loans.

Provident also say their agent was shown pension statements by Mr C as proof of his income, before agreeing the loan offer. Mr C says he didn't show these documents to the agent, but that his late partner may have done. I've also seen evidence of some of the checks Provident conducted to assess Mr C's ability to repay. I haven't seen anything to persuade me the loan was unaffordable for him.

I understand the point Mr C has made about how his loan was used to pay off his late partner's debts. But I can only look at the circumstances around this loan being provided to

Mr C. If the money was subsequently used to settle other debts, I can't fairly attribute that to Provident.

This decision comes down to a judgement as I have two conflicting accounts of the circumstances around the loan. Provident's account is supported by the documentation that was produced and procedures that are followed on the tablet to agree the loan. Whilst I acknowledge Mr C says he never received much of the paperwork, I find Provident's account more persuasive and think it is most likely to be accurate.

Taking everything into consideration I don't think Provident have done anything wrong, so I won't be asking them to take any action. I note that they stopped collections on the loan for eight weeks after Mr C sadly lost his partner. And I think they've treated Mr C fairly in the circumstances.

I understand the loan amount is still outstanding, so I would urge Mr C to work with Provident to arrange an affordable repayment plan. And I would expect Provident to treat Mr C in a positive and sympathetic manner.

my final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 May 2018.

Richard Annandale
ombudsman