

complaint

Mr F complains that Provident Personal Credit Limited did not provide the service it should have done both in terms of collecting his payments and responding to his information requests. He also complains that the refund he received for repaying his loans early was not enough.

background

Mr F took out three loans with Provident. The first loan was taken out in June 2014; the second loan in January 2015; and the third in August 2015. All loans were for a 32 week period. The first two required repayments of £25 per week and the third £30 per week.

Mr F repaid his first and second loans early giving a total of £300 repaid early. He says he should have received a refund of around £150 but instead received a refund of around five pounds.

Mr F says that he requested information about this loans and this was not provided to him. He says that he contacted Provident about repaying his third loan shortly after receiving it but it did not respond to him.

Mr F also says that he had to make the most of his payments by phone because the collections agent did not turn up.

Provident says that the interest and charges are added to the loans at the start. It says that when Mr F raised his complaint at end August 2015, this did not relate to his existing loan but to the settlement amounts on his previous two loans. It says that the settlement amounts were correctly applied.

Provident says that a statement of Mr F's loan was emailed to him on 3 September 2015.

Provident also says that when a new loan is offered refinancing is offered as an option. It says this would have been discussed with Mr F. It says that this happened on 21 January 2015 and 4 August 2015 and Mr F did not raise any concerns until after the loans were processed.

Mr F did not make the payments due under his third loan and Provident says Mr F's account was passed to its collections department.

The adjudicator did not find that Provident had made an error in relation to the amounts it refunded when Mr F settled his loans early. He also said that based on the income and expenditure information Mr F had provided the loans were affordable.

The adjudicator said that Mr F expected Provident to freeze the interest and charges on his outstanding loan. He explained that the interest and charges are added at the start of the agreement and that Provident requested that Mr F contact its collections department to discuss a suitable repayment arrangement.

Mr F said that he has not received the service he should have. He accepted the further information provided about how the early settlement amount was calculated but still believed he should receive a larger reduction than five pounds. He said that he had asked for a breakdown of his loans so he could understand how the interest and charges were calculated but this was not provided.

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 have looked at the information provided and I have nothing to suggest that the loans provided to Mr F were unaffordable.

I understand Mr F's concerns about how the reduction is calculated when an early repayment is made. I have looked at Mr F's loans and can see that he repaid his first loan in week four of 2015, around two weeks early. Mr F then repaid his second loan around four weeks early. Mr F refinanced his loans and he did not raise any concerns about the amounts he received at that time.

Based on the evidence I have seen, I do not find that I can say that Provident has made a mistake in regard to the early repayments of Mr F's first two loans.

Mr F raised his concerns in August 2015. I can see that he asked for information about repaying his loan early and for a breakdown statement to understand how his early repayments had been calculated. A statement showing Mr F's existing loan was sent to him on 3 September. I can see that this was not the information Mr F wanted in regard to being able to calculate any refunds on his previous loans.

However, while I accept that Mr F did not receive the information he requested, I find that he was given the information about his outstanding loan. He was also told how an early settlement rebate is calculated and applied by way of reducing the remaining balance. It was also confirmed that the correct rebate had been applied to his account. Based on this I find that Mr F was provided with the information he needed.

On balance, while I can see why Mr F has been frustrated by the issue with his early settlement rebates and how the interest and charges were applied to his account, I do not find that I have enough evidence to say that Provident has done anything wrong.

Mr F has said that he was not visited by a collections agent and instead had to make his payments by phone. While I accept that this is not the service he might have expected, I do not find that Mr F has been disadvantaged because of this.

Mr F has not made the payments due under this current loan and so I do not find it unreasonable that his account was passed to the collections department and was due to be passed to a debt collector. I understand that Provident has suggested Mr F contact its collections department and while I note Mr F's comments, I do not find this unreasonable.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 12 May 2016.

Jane Archer
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