

## Complaint

Mr C says Provident Personal Credit Limited lent to him irresponsibly.

## Background

Mr C had seven home loans with Provident. I've summarised some of the details Provident provided about Mr C lending in the table below.

Loan	Date Taken	Date Repaid	No Weekly Instalments	Loan Amount	Weekly Repayment Amount
1	25/02/2015	10/06/2015	23	£200.00	£13.00
2	10/06/2015	26/01/2016	63	£500.00	£15.00
3	25/01/2016	27/07/2016	52	£1,000.00	£35.00
4	26/05/2016	02/11/2016	63	£500.00	£15.00
5	25/07/2016	19/04/2017	63	£1,300.00	£39.00
6	27/10/2016	21/02/2018*	78	£1,000.00	£26.00
7	12/04/2017	21/02/2018*	104	£2,400.00	£52.80

\*Provident wrote off the balances on loans 6 and 7.

In our adjudicator's findings, she thought Provident were wrong to approve all of Mr C's loans. This is because the repayments were equal to such a significant portion of his monthly income that the lending was unlikely to be sustainable. Our adjudicator also thought that by loan 5, Mr C's pattern of borrowing alone suggested the loans were not likely to be sustainable.

Mr C appeared to have accepted our adjudicator's findings.

Provident accepted the findings and offered to refund all the interest Mr C paid towards his loans, along with 8% simple interest and to amend his credit file. The adjudicator thought this was fair and so Provident didn't need to do any more than what it had offered.

Mr C rejected Provident's offer as he feels Provident owes him extra compensation for the impact on him of the poor way it handled his loans and the difficulties he experienced as a result of this. As no agreement could be reached the complaint has been passed 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. 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.

To begin with, Provident has already accepted that something may have gone wrong when it approved Mr C's loans. And it appears that Mr C accepted our adjudicator's opinion about this.

Provident agreed to the settlement in-line with what our adjudicator recommended. Provident had waived some interest on loan 6 back in February 2018. And for loan 7, on the same date, it waived all the interest along with a significant portion of the principle Mr C had borrowed but hadn't yet repaid. This goes above and beyond what I would normally direct to put things right in a case such as this.

The remaining dispute is about the total amount of redress to be paid to Mr C. He feels that Provident should pay him additional compensation for the trouble and upset the granting these loans caused him. So, this decision will focus on whether Provident needs to do any more to put things right for Mr C.

I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Mr C's complaint.

I will begin by saying that Mr C says that he doesn't think the offer is fair because of the health issues that he suffered as a result of taking out these loans, which includes having sleepless nights and going without food. He also said that he'd repaid more to Provident than the refund provided. Firstly, I'm sorry to hear about the health problems Mr C has told us he's experienced, as well as the wider implications these loans had on his situation.

I don't doubt that his situation was very stressful and that Mr C was experience the health and wellbeing problems he's talked about. The real question is the extent to which this upset was directly caused by Provident's lending decision.

I can't ignore that Mr C appears to have been having wider financial problems because we know that he is subject to an Individual Voluntary Arrangement (IVA). So it's difficult to say that the sole, or even main cause of his problems was a direct result of the actions of Provident – although I do accept that Mr C knowing he had an outstanding balance could've contributed to the health and wellbeing problems he's described. But, it seems that Provident offer, overall, to resolve this complaint is fair and reasonable.

As I've set out above, Provident has already agreed to refund all Mr C's direct financial losses and has written off a large amount of the principal he borrowed. As there is no evidence to persuade me that Provident's mistakes were the sole or main cause of Mr C's overall no doubt distressing situation, it would not be fair for me to award extra redress in compensation for trouble and upset. .

I think Provident's offer is fair and reasonable in these circumstances, so I don't think Provident needs to do anything more than it has already offered. So, I am not making a further award to Mr C.

I also note that Mr C has told us that Provident has amended his credit file, and his credit score has increased – although not as much as he was expecting. However, as long as Provident has updated the credit file in line with what it agreed, then I'd make not further finding against Provident in relation to this.

Mr C is currently subject to the terms of an IVA, and his Insolvency Practitioner has told us that it has an interest in any redress due. So I'll leave it up to Mr C to make sure that he complies with his obligations under the terms of the IVA.

**My final decision**

For the reasons given above, I think the offer Provident Personal Credit Limited has made to settle the complaint is fair and reasonable and I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 August 2020.

Robert Walker  
**ombudsman**