

complaint

Ms S complains that loans Provident Personal Credit Limited ("Provident") made to her were unaffordable by her, and Provident didn't carry out proper checks to find this out before it lent to her.

background

Provident made a total of eight loans to Ms S between July 2012 and March 2014. In many cases, a new loan was used partly to repay the balance of a previous loan, and partly for new credit. Ms S says that latterly she was having difficulties repaying her loans, and was borrowing from friends, family and other lenders to keep up repayments. Eventually she stopped repaying the outstanding Provident loans.

Ms S complained to Provident. She said Provident's agents visited her at home, and should have seen she was suffering financial hardship. They offered her new loans without carrying out adequate checks to see if they were affordable.

Provident didn't accept Ms S's complaint. It said before each loan was made, its agent would prepare a form setting out the customer's current income and outgoings, which the customer signed. In addition, Provident would assess the application against up to date credit bureau data. It would also consider the customer's previous payment record.

It said it wasn't unusual for a customer to take out a loan for a new lending purpose, and for the outstanding balance of their previous loan to be consolidated into the new loan.

Before the last loans were made, Ms S had only two missed payments, and two partial payments, throughout her credit record with Provident. So there was nothing to make it suspect the credit was unaffordable or unsustainable by Ms S at the time each loan was made.

Our investigator didn't recommend that this complaint should be upheld. He said there wasn't enough evidence for him to say the loans were unaffordable by Ms S when they were made, or that she was pressured into taking out new loans.

Ms S's payment history didn't show signs of her being in financial difficulties, and she had signed a statement of her income and outgoings before each loan was made, which didn't suggest the lending was unaffordable.

Since bringing her complaint to us, Ms S had said she felt harassed by Provident's agents after her account went into default. The investigator said this would have to be the subject of a new complaint if she wished to take this further.

Ms S asked for her complaint to be reviewed. So it has been passed to me to issue a 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.

As the investigator said, I can't consider the issue Ms S has raised about being harassed after she defaulted on her loans, as this wasn't mentioned in her complaint to Provident, and it hasn't had the opportunity of responding to it. If Ms S wishes to take this further, she will first have to make a separate complaint about it to Provident, if she hasn't already done so.

I have considered carefully Provident's records about Ms S's various loans. Like the investigator, I can't say there's enough evidence that the loans were unaffordable at the time Ms S took them out, or that Provident didn't take reasonable steps to check it was likely Ms S would be able to repay them.

Ms S's good payment record, the details of her income and expenditure she signed, and the credit bureau data Provident checked all indicated that at the time she took out the loans she was likely to be able to repay them. So I can't reasonably say that Provident should cancel any part of the loans or the interest on them.

my final decision

My decision is that I don't uphold this complaint, and make no order against Provident Personal Credit Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 22 November 2018.

Lennox Towers
ombudsman