

## **complaint**

Mrs C complains that Provident Personal Credit Limited (trading as Satsuma Loans) wrongly paid a loan into her account.

## **background**

Mrs C applied for a loan of £500 from Satsuma around 1 April 2017. Satsuma sent Mrs C an email on 3 April 2017 requesting further information about her income and stating that the proof of income supplied didn't meet the criteria. Mrs C didn't reply as she had changed her mind about the loan. On 4 April 2017 the loan was granted anyway by Satsuma and the money was paid to Mrs C.

Mrs C says that she thought the money was an inheritance and not a loan and so she doesn't want to pay it back.

Satsuma accepted that the loan shouldn't have been granted and it agreed to remove all interest and charges so that Mrs C only has to pay back the £500 she borrowed. It also agreed to let Mrs C pay it back in instalments.

Our adjudicator thought that this was fair and reasonable and didn't think that Satsuma should be asked to do any more. She thought that as Mrs C had had the benefit of the money it was only fair that she paid it back. Mrs C didn't agree and so the complaint has been passed to me for review.

## **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 have reached the same conclusions as the adjudicator for much the same reasons.

Satsuma accepts that the loan was paid to Mrs C in error. I agree that the email of 3 April gives the impression that the loan can't proceed without further proof of income. I can understand why Mrs C wasn't expecting the loan to be paid.

Mrs C says that she thought the money was an inheritance. I haven't seen Mrs C's bank statement but it seems likely that this would make it clear that the money was from Satsuma.

I can understand why Mrs C doesn't want to pay the money back as she spent it believing it was an inheritance. I can also appreciate that this might cause Mrs C some difficulty. But Mrs C has had the money and used it and so I think it is only fair that she pays it back.

Although Satsuma made a mistake I don't think that it is fair that Mrs C should keep the money. Satsuma has agreed not to charge any interest on the loan and agreed that Mrs C can pay it back in instalments. In the circumstances I think this is fair and reasonable and I can't ask Satsuma to do any more.

I suggest that Mrs C gets in touch with Satsuma to arrange a suitable and affordable repayment plan.

**my final decision**

For the above reasons my final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 12 February 2018.

Emma Boothroyd  
**ombudsman**