

complaint

Miss E complains Provident Personal Credit Limited didn't carry out appropriate checks and irresponsibly granted her unaffordable loans. She says she'd many health issues and was on a low wage. The loans weren't explained to her and she's unhappy about the way it's dealt with her. She wants the remaining debt written off and her credit file amended. If not she wants the charges and interest removed.

background

Provident provides home credit. It said in its final response that Miss E had signed a credit agreement for each loan showing she'd reviewed the terms and wanted to continue. It also carried out an affordability assessment for each loan. They show she'd sufficient disposable income to cover the repayments. Her repayment history shows many payments were made. But most missed payments were on the second loan. This suggests a change in her circumstances after the second loan was issued. Her health issues were diagnosed after the loans were issued and didn't affect taking them out. It sent numerous letters to her about the balance and consequences of missing payments. It's no record of her asking for a repayment plan.

Our adjudicator felt this complaint shouldn't be upheld. She said:

- Miss E took out two loans. One for £500 in March 2014 and the second for £200 in June 2014.
- In each case Provident recorded Miss E's income and outgoings and assessed the loans' affordability. This showed she had enough disposable income to meet the repayments. And her payment history suggests that Miss E's circumstances changed during the period of the second loan. Provident carried out relevant checks and the loans were affordable.
- Provident's shown it sent Miss E letters about the loans. It says it sent a default notice. The account would've defaulted because of the missed payments and she's seen nothing to suggest Miss E would've been able to repay the loan within 28 days.
- She can't fairly recommend Provident should do any more.

Miss E doesn't agree. In summary she says Provident ignored her calls and letters offering a repayment schedule. As a result her credit file was defaulted. It didn't help her.

The adjudicator said Provident says its system shows no calls or letters received from Miss E. If she didn't get a response to them it would've been reasonable for her to have chased this up with it. There's also nothing to suggest Provident was made aware of Miss E's difficulties. She can't tell it to remove the default as it's obliged to report true and accurate information.

Miss E says she did write and she remains unhappy. She's asked for an ombudsman 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.

I agree with the adjudicator's conclusions for the same reasons.

Taking everything into account I don't think Provident has done anything wrong.

I sympathise with Miss E's personal circumstances and the situation she currently finds herself in. Even so, I can't fairly require Provident to write off the debt as she's had the benefit of the money she borrowed. And I also can't reasonably require it to refund any interest and charges or to amend her credit file, by removing the default, as Miss E would like.

So, although I recognise Miss E's frustration, I don't see any reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 20 October 2016.

Stephen Cooper
ombudsman