

Provident Financial

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Provident Financial car finance subsidiary, Moneybarn fined £2.77m by the FCA for not treating customers fairly

Provident Financial Group PLC's (LON:PFG) car finance subsidiary, Moneybarn Ltd has been fined £2.77m by The Financial Conduct Authority (FCA) for not treating customers fairly when they fell behind with loan repayments while in financial difficulties.

In a statement, the financial regulator also said that, during the period between 1 April 2014 and 4 October 2017, Moneybarn also did not communicate the likely financial consequences of failing to keep up with payments to customers in a way which was clear, fair and not misleading.

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The FCA noted that more than 1,400 customers - many of whom were vulnerable - subsequently defaulted after entering into unsustainable short-term repayment plans.

It pointed out that Moneybarn has voluntarily provided redress of more than £30m to all 5,933 customers potentially affected by those failings without requiring them to demonstrate that they have suffered any financial detriment.

Mark Steward, executive director of Enforcement and Market Oversight at the FCA, said: "These were serious breaches."

Highlighting the voluntary redress, Steward added: "The FCA gave Moneybarn significant credit for this in assessing the size of the penalty imposed."

The FCA said it would have imposed a financial penalty of at least £3,963,500 without that redress. Moneybarn did not dispute the FCA's findings.

Investigation provisions covered

In a statement, FTSE 250-listed Provident Financial said: "Moneybarn worked collaboratively with the FCA during the investigation, accepted its findings, and put in place clear, effective and appropriate processes to address the FCA's concerns by October 2017.

"Moneybarn completed a redress programme to compensate all potentially affected customers in the third quarter of 2019, and the total cost of the investigation was within the £20 million provision originally established in 2017."

In afternoon trading, Provident Financial shares were 1.8% lower at 460.40p

Price: 169

Market Cap: £428.61 m

1 Year Share Price Graph



Share Information

Code: PFG

Listing: LSE

52 week High Low
492.7 126.87

Sector: Financial Services

Website: www.providentfinancial.com

Company Synopsis:

Provident Financial plc is a United Kingdom-based company engaged in the credit card business. The Company operates in two divisions: consumer credit division and Vanquis Bank. The consumer credit division includes home credit and direct repayment loans.

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