

The complaint

Mr J complains that Quidie Limited, trading as Fernovo, lent to him irresponsibly in 2018.

Mr J also complains that he wrote to Quidie in February 2019 asking for help with repaying the loan and he says he received no help.

He also complains that he has been subjected to delay, stress and blackmail as this complaint has proceeded.

What happened

Quidie approved one loan for Mr J in October 2018. It was for £300 and the interest due on it was for £300. It was due to be repaid in instalments. Mr J has paid nothing back.

The reminder emails, texts and letters commenced relatively soon after his first instalment repayment was missed and have continued. In February 2019 Mr J wrote to Quidie asking for help to repay the loan. He said he wrote three times and never got a reply from it.

In January 2020 he started a complaint for irresponsible lending. He received Quidie's final response letter (FRL) in which it offered to reduce the interest due on the loan (by about £120), asked him to withdraw his complaint, and said that once the outstanding amount was repaid it would remove the loan from his credit file. Mr J declined this and said that the tone of the FRL was unpleasant in several ways. He interpreted the offer as being linked with his complaint withdrawal and felt that he was being '*blackmailed*'.

After bringing the complaint to this Service in August 2020, it took some time for us to inform Quidie that Mr J had referred his complaint to us. We wrote to Quidie in November 2020. In the interim period, Quidie had continued to ask for the repayment and its collections departments got to the stage where court proceedings were the next step. Quidie has said that '*the collection process has been frozen*' since it learned that the complaint was with this Service in November 2020.

Quidie altered its offer in December 2020 to one where it was content to remove all interest from the loan, leaving only the principal sum of £300 to repay, plus deletion of the loan from Mr J's credit file. I assume that deletion would be once the loan has been repaid.

One of our adjudicators looked at the complaint and wrote to both parties in which he endorsed the offer to Mr J. Mr J's response was to say that he thought that the offer was acceptable but had come too late. He reiterated his concerns relating to the lack of help when he needed it and the other matters he felt Quidie needed to address too.

Our adjudicator looked into the other elements of Mr J's complaint. He thought that Quidie had responded to Mr J's 25 February 2019 email asking for help in a timely manner. On the '*blackmail*' suggestion our adjudicator explained that once a resolution had been reached for a complaint then it is considered 'withdrawn' and so he did not think that the FRL had been worded wrongly.

Mr J was not satisfied and so the complaint remained unresolved and was passed to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr J's complaint about the irresponsible lending has been resolved in my view. Mr J has made no payments towards the loan. If our adjudicator had investigated and upheld the irresponsible lending complaint (which he did not have to because of the concession by Quidie) then the outcome would have been in line with our usual approach. That would have been - for all unpaid interest and charges to be removed from the loan account, for the principal to be repaid by Mr J, and that the adverse payment information on the credit file be amended.

Quidie's offer is better than our standard approach as it has said that it will accept repayment of the principal sum only (£300) plus it will remove the loan from the credit file completely, not just amend his credit file.

I have seen Mr J's response which is that he thinks that the offer is acceptable in principle and this shows a compromise. So, for that reason I consider it to have been a resolution and I need not go into detail about that part of Mr J's complaint. I endorse that offer from Quidie.

As for the other elements of Mr J's complaint then I asked Quidie for additional information to assist me to look at the detail. This is what it sent to me in addition to what we already had:

- Report of all notes on the system
- Report on the emails and SMS log (inbound and outbound)
- Content of all outbound email

Mr J has sent in screenshots of some of his email in-box. The combination of the details I have received from both parties leads me to come to some conclusions which I set out in the following paragraphs.

By February 2019 Mr J had repaid nothing towards the loan and Quidie had been asking him for payment and its collections department had been involved. This is not unusual and I consider it reasonable. In February 2019 Mr J says that he sent emails to Quidie to ask for help. He said that he never received replies. This is unfortunate and I do not have an answer as to what happened about those early February 2019 emails.

Then on 25 February 2019 Mr J wrote a very articulate email to express his change in financial circumstances and he listed substantial debt with other lenders. It warranted a reply. Mr J says he never received one, but I do not agree. I am satisfied that Quidie replied.

I have seen from some of the detailed account notes, records and screenshots from Quidie (requested by me) that this email of 25 February 2019 was received and that Mr J was sent a detailed reply on the same day.

I have no reason to doubt that Quidie's email was not received by Mr J. And I say this because his email address used by Quidie was the same as the one it had used for other correspondence with Mr J, and it is the same as the one he has given to us to use and with which we have successfully communicated with him. And, I have seen that his screenshots of his email in-box contains many other emails from Quidie which appear to have been received on many varying dates in 2019 and 2020.

And, later in the following year, around 24 October 2020, Mr J did reply to Quidie on a subject relating to the threat of court proceedings which shows me that he did receive and respond to its emails. So, overall I am satisfied that its highly likely the reply email from Quidie to Mr J on 25 February 2019, sent almost immediately after his email to it was received, was received by Mr J.

If I am wrong on this (which I don't think I am) and the reason for the non-delivery to Mr J of that Quidie reply in February 2019 was due to some technical issue then its not something I'd be able to discover, and if that was the case then I don't think its likely Quidie could be held responsible for that.

That email in February 2019 from Quidie was sympathetic as I would expect to see. It invited Mr J to call and contact Quidie's representatives, and it invited him to send details in certain formats and copy documents to substantiate his changed financial circumstances from when he applied for the loan in October 2018. Quidie ended the email by saying:

'Once you have provided the above information, we will decide how to best help you and agree an affordable way forward. It is important for you to also bear in mind that both parties are responsible for being willing to cooperate with each other to reach an affordable repayments solution.'

'We have also attached an FCA factsheet to provide you with some useful sources of free and independent financial advice and help if you are experiencing financial difficulties.'

'We look forward to hearing from you, in any event no later than 11-Mar-2019. If you are unable to meet this deadline because you need more time to respond, please let us know any reasons. Please note that if we do not hear from you by this deadline, we may continue to take further and escalating collections actions on the basis that you have not evidenced your position and/or appear unwilling to mutually cooperate to reach an affordable solution.'

The content of this email was appropriate, thorough, covered all aspects and gave Mr J options. Quidie did not hear from Mr J and the collections department restarted to pursue Mr J for the outstanding balance. And the ongoing 'chase' emails continued to provide Mr J with options as to how to contact Quidie and how to make payments.

So, I do not think that Quidie has done anything wrong and I do not uphold this part of Mr J's complaint.

I do not think I need to make any determination about whether the earlier emails from Mr J were received by Quidie or not. I am satisfied from the evidence from both parties that this 25 February 2019 was received by Quidie, that it did reply and I think that its highly likely Mr J received its reply.

There was a long gap between Mr J's emails of 25 February 2019 and when Mr J commenced the irresponsible lending complaint in January 2020. In August 2020 he referred it to us. So, I do not find it unusual that Quidie may have continued to ask for the money during the interim period. And the emails contained contact details and explanations as to why he was being asked for the money and had details of how to rectify the situation.

Following his complaint, Mr J received Quidie's FRL dated 15 February 2020. I do not agree with Mr J when he complains that the tone and the wording of the FRL was inappropriate or designed to be upsetting in any way. Quidie said at the end:

'However, because you felt the need to file for an affordability complaint, we are ready to reduce the default interest on the last loan, if you withdraw your complaint, we will reduce the open balance to £480 instead of £600 Repaying this amount will close your balance.

To provide you with an incentive to close the account as soon as possible, we are willing to completely delete this account from your credit file, once repaid.'

Quidie's offer to resolve the complaint has improved since that FRL and it is the later, improved offer which I referred to at the start of this decision.

FRLs must contain the referral rights to this Service and Quidie's FRL did. Those referral rights gave Mr J the next steps if he felt that the resolution in the FRL was not what he wanted. I have seen Mr J's reply to Quidie's FRL in which he makes his feelings clear and which was a total rejection of it. I do find that Mr J's description of it as '*blackmail*' is emotive and unnecessary. I do not uphold this part of Mr J's complaint.

I accept what Quidie has said that it ceased to pursue Mr J for the monies outstanding from November 2020 when it was written to by this Service to inform it of the complaint referred to us by Mr J. I say that because I have seen the detailed account notes and I can see that the threatened County Court action was placed on hold.

Reading all the correspondence I have, I think that Mr J is wanting the whole debt to be written off. I have thought about it but Mr J has had the benefit of the £300 original principal sum and its only right that he repays it. I see that he has recently offered some money on a repayment plan and so I hope that he and Quidie can come to an arrangement and I remind Quidie to treat him fairly when approaching him about the outstanding debt.

Conclusion

I have not needed to make any findings in relation to the irresponsible lending part of Mr J's complaint as the offer by Quidie to resolve that part is a fair one and Mr J appears to have accepted it in principle. So, I do not uphold that part.

It's a matter for Quidie to carry out the balance reduction and credit file deletion (once repaid) as it has offered to do. It is for Mr J to repay the £300 as he is bound to do.

And as for the other complaint points, I do not uphold them.

My final decision

My final decision is that I do not uphold his complaint, but I endorse the offer made by Quidie to Mr J.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 8 September 2021.

Rachael Williams
Ombudsman