

The complaint

Mrs G complains that Quickly Finance Limited trading as Fast Track Reclaim (FTR) asked her to pay their success fee for a payment protection insurance (PPI) claim she said she hadn't authorised them to make.

What happened

Mrs G said she'd a successful mis-sold PPI claim with a lender I'll call "T". Mrs G said she'd used the services of a claims management company (CMC), and after her claim was successful she paid them their success fee. But in April 2021 she said FTR asked her to pay their fee for the same successful claim. Mrs G said she spoke to FTR who said she'd authorised them to act for her, and as her claim with "T" was successful their fee was justified. She complained to FTR.

FTR said a letter of authority (LoA) had been signed in August 2019 and they'd acted in good faith in submitting this to Mrs G's lenders and pursuing Mrs G's PPI claims based on the information provided to them in the initial application. FTR said they'd updated Mrs G when PPI had been found, and they'd provided her with their claims service. FTR said Mrs G had completed and returned the PPI questionnaire they'd asked her to complete to strengthen her claim that the PPI had been mis-sold. In December 2019 after "T" told them Mrs G had more than one CMC acting for her they'd asked her to complete another LoA to confirm that she wanted FTR to act for her. They said she'd signed and returned the LoA in January 2020. And as her claim with "T" was successful they asked her to pay their success fee.

Mrs G wasn't happy with FTR's response, she said she'd never signed anything for FTR to act for her as she'd authorised another CMC who'd she'd paid for her successful claim. She referred her complaint to us.

Our investigator said "T" had told Mrs G when her claim was successful and which CMC that had acted for her. And they also told the CMC that Mrs G had a successful claim. As this wasn't FTR our investigator said that they should waive their fee.

FTR didn't agree. They said "T" had acknowledged their submission of Mrs G's LoA and that they'd investigate her mis-sold PPI claim. And Mrs G had confirmed she'd authorised them as the CMC acting for her. They asked for an ombudsman 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.

Having done so I'm upholding this complaint. I'll explain why.

Mrs G disputes that she signed FTR's LoA in August 2019 and January 2020 as they weren't the CMC she'd authorised to make her mis-sold PPI claims. FTR feel strongly that they'd been authorised as Mrs G had agreed to their terms and conditions. And that it was their submission of the LoA that meant Mrs G's PPI claim was successful.

We're an informal dispute resolution service, acting as an alternative to the courts. This means we're impartial and look at both sides of the story. We don't place more weight on one side's story because of who they are. We ask questions and weigh up all the information we're given. Mrs G has said the signature on FTR's LoA isn't hers. But it's not our role to validate a signature, we aren't handwriting experts. In making my decision I need to determine whether I think it's more likely than not Mrs G had or hadn't authorised FTR to act on her behalf. And to see whether FTR has acted fairly and reasonably in their actions with her.

The Financial Conduct Authority (FCA) deemed 29 August 2019 as the deadline for PPI claims to be made. Leading up to the August PPI deadline many CMC's amended their terms and conditions in recognition of the expected high volume of claims. And reflected that lenders could investigate any claim based on a data subject request. Any further information such as that provided in a PPI questionnaire could be used to strengthen the claim that the PPI policy was mis-sold. So, for some lenders the submission of a LoA was accepted as a claim for mis-sold PPI and no further information was needed for them to investigate the mis-sold PPI claim. This is generally referred to as the claim being "auto converted".

But some lenders asked for a wet signature rather than accepting a digital signature and for the PPI questionnaire to be completed. Any claim received after the 29 August 2019 deadline wouldn't have been accepted by the lender(s) unless there were exceptional circumstances for doing so.

So, I've looked at what has happened. FTR has shown an online enquiry was made about mis-sold PPI for Mrs G on 24 July 2019. And they received a signed LoA with Mrs G's details dated 06 August 2019, shortly before the deadline for making such claims. The personal details supplied match those Mrs G has given us.

FTR has said Mrs G would have needed to agree to their terms and conditions for the LoA to be generated. And that the LoA could only be submitted when a signature was added. FTR's terms and conditions said:

"Once PPI is identified, the Free PPI Check Period ends and You authorise FTR to continue to provide You with the Claims Services."

In October 2019 "T" told FTR that they'd located PPI for Mrs G, and that they would keep them updated about her claim. FTR's records show that they sent in November 2019 several notifications to Mrs G about her PPI claim. The notifications gave a FTR customer reference number and said *"You Have Paid PPI..."* The notifications also said that "T" had asked for a "wet" signature and for a PPI questionnaire to be completed. It went on to say the claim couldn't progress without both these steps being taken.

PPI being found didn't automatically mean Mrs G's claim was successful as it needed to be considered by "T" whether the PPI had been mis-sold to her. At the end of November 2019, "T" told FTR that another CMC was also acting for Mrs G. They said they'd check with Mrs G but wouldn't discuss the claim further with FTR as they didn't consider they were authorised to do this.

I can see in December 2019 FTR updated Mrs G about what "T" had told them and asked her to withdraw her authority from the other CMC and to let "T" know. FTR told Mrs G they'd

continue to progress her claim. But I don't consider FTR would have had the authority to continue acting for Mrs G at this time without confirmation from her as to which CMC she wanted to progress her mis-sold PPI claim. And she hadn't provided FTR with an LoA with a wet signature that they'd told her they needed to progress her claim.

I can see from FTR's records that in January 2020 Mrs G told them she'd returned the LoA. But FTR said they hadn't received it and sent another one to her. The notes also read:

"The client also advised she has only got one CMC looking into her claim which is us she will contact Tesco to advise them that she wants us to continue with her claim."

There is no further contact made by "T" with FTR after November 2019. And "T" in informing Mrs G her claim was successful referred to the other CMC in their response. They also told the other CMC of the successful claim. I think this shows that "T" didn't see FTR as being Mrs G's representative and that it was the other CMC that she'd authorised to act for her. I think this is supported by FTR's notes of 7 January 2020 as Mrs G said she'd already returned the LoA. As FTR didn't receive this I think, on balance, this shows Mrs G had returned an LoA to someone other than FTR.

I also think given some of the similarities with FTR and the other CMC's name that it's not improbable that Mrs G thought they were one and the same CMC, hence her belief she was only dealing with one CMC. And after being told by FTR they hadn't received the LoA she said she'd returned she completed the LoA FTR sent to her in January 2020.

FTR's records don't show any contact with or from Mrs G or "T" after January 2020. I can't see that FTR submitted the January 2020 LoA to "T" or that they'd asked Mrs G if she'd removed her authority for the other CMC to act for her. It wasn't until April 2021, some 14 months after "T" had told Mrs G her claim was successful that FTR asked Mrs G about her claim. Mrs G called FTR to question their request, I've listened to the call and Mrs G is adamant she's only used the other CMC.

So, taking all of the above into account I think "T" had accepted Mrs G had authorised another CMC to act on her behalf, and her claim was successful with them. As FTR's wasn't successful I don't think it's fair or reasonable for them to charge Mrs G their fee.

My final decision

I uphold this complaint. And ask Quickly Finance trading as Fast Track Reclaim to waive their fee.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 3 June 2022.

Anne Scarr
Ombudsman