

The complaint

Mrs M and Mr M complain that Quickly Finance Limited trading as Fast Track Reclaim (FTR) are asking them to pay a success fee for a payment protection insurance (PPI) claim they said they'd cancelled.

For ease of reading I will only refer to Mr M in my decision.

What happened

In August 2019, Mr M signed a letter of authority (LoA) instructing FTR to act on his behalf to check whether he'd any mis sold PPI claims. In September 2019, Mr M said he emailed FTR saying he no longer wanted them to do any work for him for mis-sold PPI claims for two of his lenders, I'll refer to them as "S" and "H". In August 2020, Mr M was told by "H" that he'd a successful claim and the amount of compensation they would pay to him. Shortly after FTR asked Mr M to pay their fee for his successful claim. Mr M complained to FTR.

FTR confirmed they'd received Mr M's cancellation email in September 2019, within the free PPI check period. But in January 2020, after being told by "H" that PPI had been found an automated message was sent to Mr M telling him about the PPI and asking him to complete a PPI questionnaire. As Mr M completed the PPI questionnaire, they took this as his agreement for them to continue pursuing his mis-sold PPI claim. As Mr M's PPI claim was successful because of the claim they submitted to his lender they said their success fee is justified.

Mr M wasn't happy with FTR's response and referred his complaint to us.

Our investigator said that Mr M would have known by completing the PPI questionnaire that FTR were still working for him for his mis-sold PPI claim with "H". She said Mr M had authorised FTR to act on his behalf so they could charge their fee.

Mr M didn't agree and has asked for an ombudsman to decide.

A provisional decision was issued in May 2022 that said:

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 currently minded to uphold this complaint. I'll explain why. FTR feel strongly that the success of Mr M's claim was because of the submission they made for him. Mr M is adamant that he'd cancelled his agreement with FTR. And hadn't given his authority for FTR to contact "H".

Its not in dispute that Mr M cancelled his agreement with FTR in September 2019. In making my decision I need to determine whether I think FTR was further authorised to act for him, whether their fee is justified, and whether FTR acted fairly and reasonably in their actions

with him.

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 claims management companies, such as FTR, 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". 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 application for their free PPI check was made in August 2019. They said that their terms and conditions had to be agreed to for the application to progress. And by agreeing to the terms and conditions this would have generated the LoA populated with the personal and lender details that had been supplied. FTR said the LoA couldn't be submitted without a signature being added. And its not in dispute that Mr M signed the LoA authorising FTR to act on his behalf. I can also see from FTR's records that Mr M had provided lender details for more than just "S" and "H".

FTR's terms and conditions say:

"You may cancel Your Claim(s) at any time within 14 days from the date you sign the Letter of Authority ("Cooling-off Period") at no cost to you...."

And go on to provide the various channels for doing this, telephone, in person, and in writing. Again, its not in dispute that Mr M emailed FTR in early September 2019 asking them to cancel the agreement for two of his lenders "S" and "H". As this was within the free PPI check period, Mr M wouldn't incur any charge.

FTR's terms and conditions also say:

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

While FTR may still have had an active claim for some of Mr M's lenders, they should have cancelled his mis-sold PPI claims for "S" and "H". At the point FTR identified Mr M had PPI with "H" he'd already cancelled his agreement with them. But FTR sent notification to Mr M about PPI being found, while I understand this was from an automated system, its something that shouldn't have been done as Mr M had cancelled his agreement with them. So, I don't consider FTR had any authority after early September 2019 from Mr M to provide him with their claims service.

PPI being found didn't mean Mr M's claim was successful as it needed to be considered by "H" whether the PPI had been mis-sold to him. I can see from FTR's notes that the automated message saying PPI had been found also asked Mr M to complete a PPI questionnaire. And that in early February 2020, after being chased for the completed PPI questionnaire, FTR received the response "done". FTR said that by Mr M completing the PPI questionnaire he'd authorised them to continue working for him. But I don't agree. FTR's notes clearly show for Mr M's PPI claim with "H" that it was auto converted. I haven't seen any evidence that the PPI questionnaire was needed or asked for by "H" for them to consider whether Mr M had been mis-sold PPI. As outlined above as the claim was auto converted "H" had taken the LoA as Mr M's authorisation for FTR to act for him.

While I accept FTR submitted the LoA, Mr M had followed their terms and conditions and cancelled his agreement with them during the free PPI check period, before PPI was identified, and without FTR providing their claims service for his PPI claim with "H". I think for FTR to provide their claims service to Mr M they would have needed a new LoA signed by Mr M. And it wasn't enough for them to consider the PPI questionnaire as being Mr M's new authority to them.

While I think the success of the claim was as a result of FTR submitting Mr M's LoA to "H" before the August 2019 deadline. As Mr M had cancelled the agreement, he'd with them in line with their terms and conditions, I don't think FTR was authorised to act for him. So, I don't think its fair or reasonable for FTR to ask Mr M to pay their fee.

Responses to my provisional decision

Mr M accepted the provision decision. And FTR didn't ask for any further representations to be considered.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 6 July 2022.

Anne Scarr
Ombudsman