

## The complaint

Mrs S 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. And for which she'd already paid another claims management company (CMC) their success fee.

## What happened

Mrs S said she'd used the services of a CMC, and after her claim was successful she paid them their success fee. But in early 2021 she said FTR, another CMC asked her to pay their fee for the same successful claim. Mrs S said she spoke to FTR who said she'd authorised them to act for her, and as her claim with "L" was successful their fee was justified. She complained to FTR.

FTR said a letter of authority (LoA) had been signed in June 2019 and they'd submitted this to Mrs S' lenders to pursue mis-sold PPI claims for her based on the information she'd provided to them in her application. In August 2019, FTR said they'd updated Mrs S when PPI had been found and asked her to complete a PPI questionnaire. They said she hadn't returned the PPI questionnaire, but this wasn't a necessity for her claim to progress. They said "L" had told them Mrs S had PPI and this showed "L" had accepted the claim they sent. And as her claim with "L" was successful they asked her to pay their success fee.

Mrs S 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 said FTR had bombarded her with messages and threats of legal action which had caused her considerable distress.

Our investigator said "L" had told FTR they'd received several claims from CMC's saying they were acting for Mrs S. And that FTR's records showed they'd cancelled all her claims with them in November 2019. She said FTR should waive their fee.

FTR didn't agree. They said "L" had acknowledged their submission of Mrs S's LoA and that they'd investigate her mis-sold PPI claim. They said this showed their submitted claim was received first by "L" and so their success fee was justified. They asked for an ombudsman to decide.

I issued a provisional decision in July 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.*

*Mrs S disputes that she signed FTR's LoA in June 2019 as they weren't the CMC she said she'd authorised to make her mis-sold PPI claims. FTR feel strongly that they'd been*

*authorised as Mrs S had agreed to their terms and conditions. And that it was their submission of the LoA that meant Mrs S' mis-sold 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 S 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 and it's not for us to validate a signature. In making my decision I need to determine whether I think it's more likely than not Mrs S had or hadn't authorised FTR to act on her behalf. If I consider she has, whether FTR knew she no longer wanted them to work for her. 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 for others they didn't accept the digital signature on the LoA in these cases the lender asked for a "wet 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 S on 23 June 2019 and a LoA was submitted with Mrs S' details. The personal details supplied match those Mrs S has given us.*

*FTR has said Mrs S 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 July 2019 FTR's records show that they'd confirmation that Mrs S had PPI. And that they sent her notification of this in August 2019. I can see the notification gave a FTR customer to follow four steps to progress her claim, one of which was to complete the PPI questionnaire. And that on receipt of the signed PPI questionnaire a letter of complaint would be sent to her lender. FTR said Mrs S didn't complete the PPI questionnaire, and I haven't seen a letter of complaint submitted by FTR to "L".*

*PPI being found didn't automatically mean Mrs S' claim was successful as it needed to be considered by "L" whether the PPI had been mis-sold to her. At the end of October 2019, "L" told FTR that another CMC was also acting for Mrs S. "L" said they'd check with Mrs S and wouldn't discuss the claim further with FTR until they'd her instructions. So, I don't consider FTR would have had the authority to continue acting for Mrs S at this time without confirmation from her as to which CMC she wanted to progress her mis-sold PPI claim.*

*I haven't seen any further communication between "L" and FTR from then. But "L" did tell Mrs S, in November 2019 that her claim was successful and asked Mrs S to confirm which CMC she authorised to act for her. I can see from FTR's notes that in the same month they cancelled all of Mrs S' claims with them:*

*“Cancel ALL cases after free check.....”*

*I can see it wasn't until February 2021 that FTR updated Mrs S about what “L” had told them and they asked her to withdraw her authority from the other CMC and to let “L” know. FTR told Mrs S they'd continue to progress her claim. But Mrs S had already several months before had her compensation as outlined above and had paid the other CMC, in July 2020 their success fee.*

*I haven't seen any evidence from August 2019 until February 2021 that FTR asked Mrs S for her authority for them to act on her behalf or updated her about what they were doing. FTR's records don't show any contact with or from Mrs S or “L” after August 2019 and before her claim was successful. And I can't see they asked Mrs S if she'd removed her authority for the other CMC to act for her or ask her to complete a LoA for them to act for her. It wasn't until February 2021, some 15 months after “L” had told Mrs S her claim was successful that they again got in touch with Mrs S.*

*So, taking all of the above into account I think “L” had accepted Mrs S had authorised another CMC to act on her behalf, and her claim was successful with them. And this is supported by Mrs S paying the other CMC their success fee. As I don't think FTR were authorised to act for Mrs S I don't think FTR can charge their fee.*

*We will award compensation for any distress and inconvenience caused where we think something has gone wrong. But such compensation is just that; it's not awarded to punish the business, rather it is given to try to make up for the distress and inconvenience caused. I think this has been a very distressing time for Mrs S. She told FTR that she'd already paid a fee for her claim. She also told them she'd suffered several recent bereavements and during one call Mrs S told FTR that she'd recently been burgled.*

*I've seen the letters sent by FTR throughout 2021 that tell Mrs S that they consider their fee is due to them and that unless she pays it they will start legal action. But as detailed above, FTR's records show that another CMC was involved, Mrs S hadn't returned the requested forms they said were needed for her claim to progress. And because she hadn't returned a signed PPI questionnaire, I haven't seen any evidence of a letter of complaint being submitted to “L”. The lender had also stopped dealing with FTR as I think they didn't consider they'd Mrs S' authority. As Mrs S has experienced distress and inconvenience because of the actions taken by FTR that I don't think were fair or reasonable I intend to ask them to also pay her £250 for the distress this has caused to her.*

## **Responses to my provisional decision**

Mrs S hasn't asked for any further evidence or comments to be considered.

FTR didn't agree with the distress and inconvenience award and asked for several points to be considered. I've summarised my understanding of these below.

- The lender had told FTR that they'd found Mrs S had PPI with them. FTR said this showed that it was FTR who'd first submitted Mrs S' claim to the lender. And as the claim was successful their fee is justified;
- Mrs S hadn't made FTR aware that she'd withdrawn her authority or asked to cancel the agreement she'd with them;
- As “L” had auto converted Mrs S' claim there wasn't a need to send a letter of complaint;

- Mrs S had told them she'd been burgled during a call and they'd arranged to call her back but she didn't respond to the arranged call. She also didn't respond to the subsequent calls that were made despite being made aware of the importance of the call, and
- Mrs S hadn't made them aware of any recent bereavements at the time of the complaint.

Having considered the above I've not been persuaded to change my thinking. I'll explain why.

I've considered the letter sent by FTR dated 21 August 2019. It clearly says that for Mrs S' claim to progress she needed to complete all four steps, and this included the completion and return of the PPI questionnaire. And that on receipt of the completed PPI questionnaire FTR would send a letter of complaint to Mrs S' lender. While I accept the lender didn't require the PPI questionnaire to investigate Mrs S' claim, hence FTR didn't send the letter of complaint, this wouldn't have been known by Mrs S. And by not returning the said documents she would I think have understood from FTR's letter that this would mean her claim wouldn't be progressed by them.

In October 2019 "L" told FTR that Mrs S had more than one CMC working for her. And the following month as I outlined in my provisional decision, FTR's notes show that all Mrs S' claims with several named lenders including "L" were cancelled after the free PPI check. So, I consider FTR had accepted that Mrs S' claim wouldn't be taken forward by them.

CMCOB 6.1.9 says:

*"A firm must provide each customer with an update on the progress of the claim at least once every six months"*

I don't think FTR were progressing Mrs S' claim as she hadn't returned the PPI questionnaire to them. Which is why I think FTR didn't provide an update after October 2019. And it was only in February 2021 after they became aware Mrs S' claim had been successful that they got back in touch with her. Mrs S was told by "L" her claim was successful in November 2019 and she paid another CMC for the successful claim. I think this shows she didn't consider FTR had been instructed to act for her. And from FTR's records I think they'd looked to cancel all her claims as well. So, I don't think FTR can justify their fee.

I can see Mrs S has been going through some difficult times. While FTR say they didn't know about all her circumstances at the time. I think being told that legal proceedings were being taken against you for a claim you hadn't heard anything about for over 12 months is distressing. Especially as Mrs S had already paid a success fee for this claim to another CMC.

### **My final decision**

I uphold this complaint. And ask Quickly Finance trading as Fast Track Reclaim to:

- waive their fee for Mrs S' PPI claim with "L"; and
- pay Mrs S £250 for the distress and inconvenience this has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 19 September 2022.

Anne Scarr  
**Ombudsman**