

The complaint

Mr S and Mrs S complain that Quickly Finance Limited trading as Fast Track Reclaim (FTR) are asking them to pay their fees for mis-sold PPI claims they hadn't been authorised to make.

What happened

In 2019 Mr S and Mrs S instructed FTR to pursue mis-sold PPI claims on their behalf. And they had successful claims with two of their lenders. But for another lender I'll call "L" they were told the letter of authority (LoA) from FTR wasn't valid. Mr S and Mrs S said FTR asked them to sign further LoA's and to complete PPI questionnaires, but they didn't. Instead they said they worked directly with "L".

In September 2021 Mr S and Mrs S received a solicitors letter saying they'd failed to provide the final response letter from "L". And that if they failed to send the final response letter court action could be taken. Mr S and Mrs S complained to FTR.

FTR said Mr S and Mrs S had signed LoA's in May 2019 instructing them to pursue mis-sold PPI claim(s) with "L". FTR said they'd submitted these to "L" and at the beginning of November 2019 "L" acknowledged receipt of the LoA and confirmed it had been received before the August 2019 deadline for making such claims. They said "L" had incorrectly told them that there wasn't a valid LoA for the mis-sold PPI claim. And when they'd asked Mr S and Mrs S to complete another LoA they hadn't done this. FTR said they'd submitted Mr S and Mrs S' claims to "L" and the claims were successful. As "L" hadn't told them about the outcome of the mis-sold PPI claim they'd instructed solicitors to ask Mr S and Mrs S for this information.

Mr S and Mrs S weren't happy with FTR's response and referred their complaint to us.

Our investigator said that "L" hadn't accepted FTR as Mr S and Mrs S' representative and so he didn't think the claims success was because of the actions taken by FTR.

FTR didn't agree, they said "L" acknowledged their submission and gave them the results of their PPI search which showed that they did have valid LOA's as without them there would have been a breach of the Mr S and Mrs S' data. FTR 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 intend to uphold this complaint I'll explain why.

FTR feel strongly that they'd been authorised by Mr S and Mrs S as they'd agreed to their terms and conditions. And that it was their submission of letters of complaint that meant Mr S and Mrs S' PPI claims were successful. Mr S and Mrs S don't accept that they'd authorised FTR as they were told there wasn't a valid LoA.

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.

Having considered the evidence I can see that Mr S and Mrs S had several accounts, either jointly or solely with "L". and that "L" has confirmed that they were mis-sold PPI. The dispute is whether Mr S and Mrs S had authorised FTR to act for them in pursuing mis-sold PPI claim(s) with "L". And whether FTR has treated Mr S and Mrs S fairly and reasonably in their actions with them.

I can see that "L" had three separate PPI mis-sale claims for Mr S and Mrs S. I will outline what I can see happened with each.

From the evidence I've seen, it's not in dispute that Mr S and Mrs S signed LoA's in May 2019 that authorised FTR to check whether they'd any PPI policies with "L". I've seen the LoA's and the one for Mr S is headed "*Policy Holder to Complete*". The one for Mrs S is headed "*Joint Policy Holder to complete*". Both LoA's were submitted and "L" told FTR that PPI had been found for each of the three accounts in June 2019.

FTR's terms and conditions say:

"Once PPI is identified, the Free PPI Check Period ends and You authorise FTR to continue to provide you with the claims service"

In July 2019 I can see FTR told Mr S for agreement *3192 that PPI had been found and they provided a link for Mr S to complete a PPI questionnaire to support his claim that the PPI had been mis-sold. In the same month I can see FTR told Mr S and Mrs S for agreements *1126 and *4685 that PPI had been found and again provided the link for them to complete a PPI questionnaire in support of their mis sold PPI claims.

The instructions FTR gave to Mr S and Mrs S for each of the agreements said:

"To progress your claim for mis-sold PPI before the deadline of August 2019, please complete the following 4 steps"

One of the four steps was to sign and complete the PPI questionnaire. And went on to say:

"On receipt of your signed questionnaire, we will send a bespoke letter of complaint to the lender."

FTR has said that they didn't receive any completed PPI questionnaires from Mr S or Mrs S. So, I think at this point as neither Mr S or Mrs S had completed the four steps they'd been instructed to do they would have been of the understanding that their claim(s) wouldn't progress. And that FTR wouldn't continue to provide their claims service. But in August 2019, despite not having any signed and completed PPI questionnaires FTR sent a letter of complaint to "L" for each agreement.

I can see at the beginning of November 2019 "L" told FTR they were investigating agreement *1126, for Mr S and would provide their final response by 18 December 2019.

But Mr S was told by “L” a few days later, in early November 2019 that for all three accounts *4685, *1126 and *3192 they didn’t hold a valid LoA for FTR to represent him. And I think this would have reinforced Mr S’ understanding that FTR weren’t progressing his mis-sold PPI claims. I can also see that at the same time, in early November 2019 FTR was also told by “L” that they didn’t have a valid LoA and that they would only deal with Mr S direct.

I’ve considered FTR’s terms and conditions:

“No cancellation fee will be charged if you decide to terminate this agreement prior to the claim being successful however if we send a Letter of Complaint and you go on to receive an offer from the lender our fee will be due”

As neither Mr S nor Mrs S followed the instructions, they were given by FTR in July 2019 to progress their mis-sold PPI claims. I don’t think FTR had the authority from either Mr S or Mrs S to continue with their claims service. And I don’t think FTR had any authorisation to send any letters of complaint to “L”. I think by not following FTR’s instructions in July 2019 Mr S and Mrs S effectively cancelled FTR’s claims service for all three agreements.

So, as I don’t think FTR had the authority to send the letter of complaints I don’t think they can claim any fee for Mr S and Mrs S’ claims as I think these had been cancelled.

My final decision

I uphold this complaint. And ask Quickly Finance Limited trading as Fast Track Reclaim to waive any fees in relation to mis-sold PPI claims with lender “L”.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S and Mrs S to accept or reject my decision before 16 December 2022.

Anne Scarr
Ombudsman