

The complaint

Mr S complains that Quickly Finance Limited trading as Fast Track Reclaim (FTR) are asking him to pay a fee for a payment protection insurance (PPI) claim that was successful with another claims management company (CMC).

What happened

In June 2019 Mr S instructed FTR and another CMC to pursue whether he'd any PPI policies. And in February 2020 one of his lender's I'll call "B" told him he'd a successful claim and paid him redress for this. Mr S said he also received an invoice from the other CMC asking him to pay their fee for his successful claim, which he did. But in February 2022 FTR said he'd to send the final response letter from "B" to them or pay a fee of £500. Mr S said he sent the final response letter and FTR then invoiced him for their success fee. Mr S complained to FTR as he'd already paid the fee to the other CMC.

FTR said Mr S had instructed them to act for him in June 2019 when he signed a letter of authority (LoA). After submitting this to "B", in July 2019 "B" told them Mr S did have PPI. They asked Mr S to complete a PPI questionnaire to strengthen his claim and they sent this with a letter of complaint in August 2019. The final response letter from "B" refers to them as "*fast trace reclaim*". FTR said their fee was justified as the claim was successful after they'd submitted Mr S' claim to "B".

Mr S didn't agree and referred his complaint to us.

Our investigator said the lender had accepted the other CMC as being Mr S' representative. And Mr S had paid them their success fee. She said it wasn't fair or reasonable for FTR to now claim their fee and asked them to waive it.

FTR didn't agree, they said it hadn't been shown which CMC had submitted the claim first. They asked for a 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.

Its not in dispute that Mr S instructed two CMC's to check whether he could make a PPI claim. FTR feel strongly that they'd been authorised by Mr S as he'd agreed to their terms and conditions. And that it was their submission of the LoA that meant Mr 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.

The Financial Conduct Authority (FCA) deemed 29 August 2019 as the deadline for mis-sold 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, such as an LoA ("Auto-convert"). But there was no requirement for them to auto-convert information requests into complaints. 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. But for others a letter of complaint was required with supporting information such as a PPI questionnaire. Any claim received after the 29 August 2019 deadline wouldn't be accepted by the lender(s) unless there were exceptional circumstances for doing so.

I can see from FTR's records that Mr S signed a LoA in June 2019, and in July 2019 they told him that PPI had been found. 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"

When notifying Mr S that PPI had been found he was asked to complete two steps, sign another LoA and complete a PPI questionnaire. From FTR's records a further notification was sent in early August 2019 again asking for the PPI questionnaire to be completed. The instructions FTR gave to Mr S 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."

I can see a LoA that is dated 30 July 2019, and a completed PPI questionnaire dated 12 August 2019. FTR has also shown a letter of complaint they submitted to "B" dated 7 August 2019. FTR's notes show a PPI questionnaire was also completed online and this was sent along with the letter of complaint. The other completed PPI questionnaire was received 15 August 2019. I can also see a note dated February 2020 that updates Mr S about the backlog of cases and that FTR would be *"in touch"* as soon as they had an update. And this is the last note I can see until February 2022.

At the end of February 2020 "B" sent Mr S a final response letter that said he'd been mis-sold PPI. The letter said this applied to card ending *9007, and linked to cards ending *3642, 7004 and 0101. The letter says the decision was based on information from the other CMC, *"fast trace reclaim"* and internal systems. Mr S said shortly afterwards he received the invoice from the other CMC to pay their fee for his successful claim, which he did, and I've no reason to doubt this.

The relevant guidance says:

"A firm must provide each customer with an update on the progress of the claim at least once every six months, in a durable medium."

And

“The firm should give updates under CMCOB 6.1.9R until such time as the claim is finally determined or settled, or is withdrawn or discontinued.”

But I can't see that FTR did this. It wasn't until February 2022 that they checked the status of Mr S' claim, asking him to provide a final response from his lender. And its on receiving this response that FTR asked Mr S to pay their success fee.

I can see that “B” said they received the authority from the other CMC in June 2019 and FTR's in August 2019. While I accept FTR's comment that “B” had told them that there was PPI in July 2019, so “B” would have received the LoA, as I outlined above the receipt of a LoA doesn't determine the auto-conversion of a complaint. And the formal letter of complaint wasn't sent by FTR until August 2019.

“B” has also said that in December 2019 they told both Mr S and FTR that there was a duplicate CMC. FTR said they weren't told about this. “B” said they didn't engage further with FTR and their final response letter was sent to the other CMC. I think this shows “B” didn't recognise FTR as being authorised as Mr S' representative. And I can't see that a LoA was provided by Mr S after he was made aware that there were duplicate CMC's authorising FTR to be his sole representative.

So, I'm satisfied that FTR weren't accepted as Mr S' representative for his PPI claim, and Mr S' successful claim is because of the submission by the other CMC. And Mr S has paid a success fee for his PPI claim to the other CMC. So I don't think its fair or reasonable for FTR to seek any fee from Mr S for the same successful claim some two years later.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 January 2023.

Anne Scarr
Ombudsman