

The complaint

Miss M complains that Quidie Limited trading as Fernovo (Quidie) failed properly to arrange with the credit reference agencies removal of her paid-up loan.

Miss M also complains about the methods of communication with her (which included the way she was spoken to on the telephone), the lack of communication and that she has not received a final response letter from it. So, she is complaining about the account management, the customer service and the complaint handling of this matter.

What happened

Miss M took a loan with Quidie in November 2021. In February 2022 Miss M received a response to her complaint about Quidie having lent to her irresponsibly. That final response letter (FRL) did not agree that it had lent to her irresponsibly but it said to Miss M if she withdrew her complaint then Quidie would reduce the open balance from just over £289 to £100.

Then as an incentive to pay off and close the account it said in that same FRL: *'we are willing to completely delete all your accounts from your credit file, once the last one is repaid.'*

Miss M had one loan. She paid off the £100 on 30 May 2022. Email correspondence to confirm that repayment and the loan closure has been sent to us. That was the start of Miss M feeling that Quidie was not doing what it said it would do.

On 11 July 2022 Miss M raised the complaint I am dealing with which is that Quidie has failed properly to remove that loan from the credit report which relates to her. After a lot of correspondence and attempts by Miss M to get to the bottom of the issue, Miss M referred the complaint to the Financial Ombudsman Service on 30 August 2022.

Miss M also raised a dispute with the credit reference agency (CRA) to which the Quidie loan had been reported. That CRA has updated Miss M regularly.

Before the complaint at the Financial Ombudsman Service was allocated to an adjudicator, Quidie responded positively on 13 September 2022. I've summarised here what that resolution email states:

- Miss M repaid the loan on 30 May 2022 at the reduced sum as set out in its FRL dated 17 February 2022
- Quidie received Miss M's complaint dated 11 July 2022 and on 12 July 2022 it has told us (and sent screenshots) that the complaint handler *'deleted the account from the customer's credit file on 12 July 2022'*
- Quidie says its system reports to the CRA once a month and so it says Miss M would not have seen that change immediately.
- Quidie went on to say in its submissions to us:

'That said, we failed to properly communicate to the customer that the change had

been performed the following day. It is correct that the customer had to contact us multiple time, but our customer service did not respond properly. The customer was charged on the loan £202.63 of interest. We credited her already £100. We propose to refund her the ret [sic] of the interest collected of £102.63 together with our apologies.'

There then followed a great deal of information from Miss M to us and as the complaint took several months to be allocated to an adjudicator that resolution email (September 2022) was never communicated to Miss M.

In March 2023, one of our adjudicator's looked at the complaint. He thought that the 13 September 2022 resolution was fair. And so, he endorsed that and did not uphold Miss M's complaint.

Miss M was not content and said that she had never received a final response letter from Quidie, that the CRA dispute she had raised with it in September 2022 was still unresolved which to Miss M indicated that Quidie had failed to respond to that CRA issue as well.

Miss M was not content with a further £102 payment from Quidie and did not think that an apology through the Financial Ombudsman Service was a good outcome. So, she rejected it and the unresolved complaint was passed to me to decide.

Since I was allocated the complaint and then reviewed it I asked Miss M and Quidie for more information. Miss M sent through most of what I asked for, and I addressed those points in the provisional decision which has been duplicated later in this decision for ease of reference.

Quidie did not respond to my request for information, despite it being informed that the reply deadline was 16 June 2023, and that '*...it is possible that the ombudsman would issue her decision based on the information available to her if we don't hear back from you by the date stated.*' So, I issued a provisional decision.

I considered that issuing a provisional decision on 19 June 2023 would bring some degree of resolution to the parties. They had a two week period to reply to the provisional decision. I am conscious that Miss M paid this loan off over a year ago.

That provisional decision is duplicated here in smaller type to differentiate it.

My provisional decision dated 19 June 2023

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I could set out here a long list of dates and times and incidents. But I have decided I'll take this relatively briefly and set out at the beginning what my provisional decision is.

I plan to uphold Miss M's complaint in part. I plan to make a money award of £300 for distress and inconvenience and I plan to direct that Quidie does what it said it would do in relation to the credit file reporting.

I have read all that has been sent to me by both parties and I have noted that Miss M has sent to us recent email correspondence between her and the CRA which indicates that the dispute she had raised with it in September 2022 remains in an odd state of suspension.

I say that because when Miss M raised the dispute with the CRA to try to resolve her issue – that she wanted the loan to be removed – it did 'supress' the loan reporting - meaning that the loan could not be seen. But it said it had not heard from Quidie and so that state of

'suppression' remained in place as recently as 13 June 2023 and that Quidie had not contacted it.

Miss M is concerned that this temporary state of the loan being suppressed is not going to last. And her agreement with Quidie was that the loan would be removed completely. And I consider that concern a justified one.

I do not know about internal disputes with CRAs and so that is not a matter for me to focus on or to resolve. It's a matter between Miss M, the CRA and Quidie.

Going back further in time, Quidie's resolution email sent to us in September 2022 accepted that it had failed in its communication with Miss M. That email also failed Miss M as if that had been sent to Miss M as a final response letter to her legitimate complaint from 11 July 2022 then she would have had the opportunity to know the situation and to choose to accept it. So, this was poor complaint handling as Miss M never received an FRL from Quidie on this.

But that September 2022 resolution email to us also demonstrates another failing. The screenshots it sent to us in September 2022 are unclear and I have asked for clarity on them and not had any response. But even without the clarity on the wording and/or the actions taken on that date, it shows me that Quidie has accepted it failed to delete the November 2021 loan from Miss M's credit file as soon as she had paid it off as it had agreed to do. It took Miss M's complaint of 11 July 2022 to prompt that action which was six weeks after it had received the final payment from Miss M on 30 May 2022.

Miss M has amply demonstrated all the times she has had to contact Quidie, try to contact Quidie, deal with what she considers its inadequate responses and has resorted to raising a dispute with the CRA which has assisted to an extent but not wholly.

And my provisional view is that Quidie has failed to do what it said it would do. Not just between 30 May 2022 (when the loan was repaid) and September 2022 when it has accepted in its email to us that it '...failed to properly communicate' and its customer service did not respond properly. I do not need to go into that as it's been admitted by Quidie. But since that date, the responses have been poor and Miss M still has not received any FRL for the July 2022 complaint. Miss M has satisfactorily demonstrated to me that the CRA dispute is in that odd state of limbo which means – as she has outlined – that the loan may reappear again when that dispute may be closed without Quidie responding.

Miss M has also demonstrated to me that she even emailed both the CRA and Quidie at the same time – in one email - to try to get them to sort it out between them – meaning she was asking Quidie to do what it needed to do and what it had promised her it would do.

I am not persuaded that Quidie's response that it has 'done what it needed to do and so it need not do more', is enough.

I've asked for account notes, recorded calls and other matters to get to the bottom of this and not received them.

On the matters raised by Miss M about the way she was spoken to on the telephone – I have no evidence of this as I have no recorded calls from Quidie and so I make no finding. On the matters surrounding Miss M having told us that she had told Quidie about her disabilities then I have received no details of what Quidie may or may not have recorded in its account notes and so I make no finding on that.

On the poor complaint handling, I do acknowledge that on current evidence it seems that Miss M never received an FRL for the July 2022 complaint. But I do not consider that a separate distress and inconvenience payment is justified as the matters are so integrated that the £300 planned as an award reflects the distress and inconvenience Miss M has experienced overall.

On current evidence I plan to uphold Miss M's complaint in part.

This is the end of the duplicated provisional decision.

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.

Miss M has responded and has agreed to the £300 award. She has sent us additional copies of some historic texts. Quidie has not replied.

As Miss M has agreed to the award of £300 and as Quidie has sent nothing further to persuade me away from that outcome then I am repeating here all my provisional findings and they form part of this final decision.

For the reasons given, I uphold Miss M's complaint in part.

Putting things right

For the distress and inconvenience to Miss M, I make a money award of £300 payable directly to Miss M within 28 days of Miss M accepting this final determination if she does accept.

And I direct that within 28 days of Miss M accepting this final determination, if she does accept, that Quidie does what it said it would do in relation to the credit file reporting in its original FRL of February 2022. And if that means liaising with the CRA involved in the dispute raised by Miss M than it needs to do that. The record needs to be deleted and not simply 'supressed'.

My final decision

My final decision is that I make a money award to Miss M and I direct that Quidie Limited trading as Fernovo does as I have outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 31 July 2023.

Rachael Williams
Ombudsman