

## **The complaint**

Mrs L complains that Quickly Finance Limited trading as Fast Track Reclaim (FTR) are unfairly asking her to pay a fee for not sending to them a final response letter from her lender about a payment protection insurance (PPI) complaint.

Mrs L is represented by Mr S in bringing her complaint – for ease of reading I will only refer to Mrs L in my decision.

## **What happened**

In April 2023 Mrs L said she was contacted by solicitors acting for FTR saying they would take legal action against her if she didn't pay a £500 fee. Mrs L said she was told the fee was for an unresolved PPI complaint made around 2019. But said she'd never had a store card with the lender and couldn't remember engaging the services of FTR. Mrs L complained to FTR.

FTR said Mrs L had agreed to use their services just prior to the August 2019 deadline for making such claims. They said Mrs L had asked them to check several store cards she had to see if there was any PPI. They said the lender for Mrs L's store card ending \*4489 told them there was a PPI policy. FTR said they asked Mrs L to complete a PPI questionnaire in support of her claim. And this along with a letter of authority (LoA) was submitted with a formal letter of complaint to the lender in November 2020. But Mrs L hadn't engaged with them so in line with their terms and conditions they asked her to pay their fee of £500. When Mrs L didn't pay the fee they placed recovery into the hands of their solicitors. As a resolution to the complaint FTR said they would cancel the £500 fee but said they'd updated Mrs L about her claim and hadn't done anything wrong by asking her to provide the final response she'd had from her lender about her claim.

Mrs L wasn't happy with FTR's response she said she'd experienced distress and inconvenience in being told she would be taken to court for a fee she said wasn't justified. She said she'd felt intimidated by FTR's actions. And that it wasn't fair to be asked to pay a fee for something she didn't have. She referred her complaint to us.

Our investigator said FTR had acted unfairly as the lender had told them that they'd closed Mrs L's mis-sold PPI complaint in June 2021 as Mrs L had been subject to a bankruptcy order. And that they'd told FTR they'd only deal with the Official Receiver direct. He also said FTR failed to comply with the Claims Management Conduct of Business sourcebook (CMCOB). He accepted FTR had cancelled the £500 fee but said they should pay Mrs L compensation for the distress and inconvenience they'd caused her by paying £275 for their poor customer service.

FTR didn't agree they said Mrs L in completing the on-line application hadn't told them she'd been made bankrupt. And if she had she'd have received an on screen message telling her FTR couldn't accept her application. They also said that the pandemic had affected all businesses involved in PPI complaints. They 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.

Firstly, I want to recognise the upset this has caused. I understand that being chased for a payment and the potential of legal action being taken would have been upsetting. And it would have added to any financial pressures Mrs L was under at the time. In reaching my decision I need to determine whether FTR acted fairly and reasonably in their actions with Mrs L. So, to ask FTR to do anything differently I'd need to be satisfied they did something they weren't allowed to do or didn't do something they should have. Having done so I'm upholding Mrs L's complaint. I'll explain why.

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 there was an expected increase in the volume of mis-sold PPI claims being received. So, for some lenders the submission of a letter of authority (LoA) was accepted as a claim for mis-sold PPI and no further information was needed for the lender 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.

FTR's records show that they received an on-line application from Mrs L on 28 August 2019, just prior to the deadline date. 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..."*

I can see from FTR's records in October 2019 the lender confirmed Mrs L had PPI, this shows that the LoA dated 28 August 2019 was submitted by FTR on behalf of Mrs L before the deadline was reached. FTR's records show an email was sent to Mrs L on 12 November 2019 that was headed "*Great News*" that said PPI had been found by one of her lenders. FTR asked Mrs L to complete a two-step process, one to sign another LoA as the lender had asked for a wet signature, not just a digital signature. And the other to complete a PPI questionnaire in support of her claim that she'd been mis-sold PPI.

In their final response letter to Mrs L FTR said they'd submitted the LoA, PPI questionnaire and a letter of complaint to the lender 23 November 2020, but this wasn't correct as I can see from their records this was submitted 23 November 2019. And that the LoA had a "wet" signature as opposed to the digital signature added to the on-line application. The lender acknowledged receipt of the mis-sold PPI complaint to FTR in December 2019. So, I'm satisfied Mrs L had authorised FTR to act on her behalf, and that FTR submitted Mrs L's mis-sold PPI complaint to her lender before the deadline date.

In October 2020 I can see from FTR's notes that Mrs L told them that a business she'd had with her late husband was made bankrupt. FTR said Mrs L didn't provide them with any evidence of this and on being told she may still be eligible for their fee had disconnected the call. But I can't see that FTR took any further action themselves but have said that they wouldn't have accepted Mrs L's application if they'd been made aware of any bankruptcy when she applied to use their services. CMC OB - Enquiries regarding outstanding liabilities - CMC OB 6.1.2 R says:

*(1) After a firm has entered into an agreement with a customer relating to regulated claims management activity, the firm must promptly ask the person against whom the claim is to be*

*made whether the customer has any outstanding liabilities with that person, which the damages, compensation or settlement monies might be off-set against.*

*(2) If the person against whom the claim is to be made confirms that the customer has such liabilities with it, the firm must:*

*(a) in a durable medium, promptly inform the customer of this;*

*(b) inform the customer that they will, where necessary, need to pay the firm's fees from their own funds.*

I haven't seen any evidence that FTR after being made aware that Mrs L may have outstanding liabilities took any action to seek further details from Mrs L or her lender.

From FTR's records I can't see they took any action until they received a "no action" response from the lender in September 2021 which prompted them to ask Mrs L for the final response she'd received from her lender.

I can see FTR's terms and conditions say:

*"If the Company offers or pays Compensation to You directly, You agree to notify FTR immediately (and within 7 days at the latest) and to provide the details FTR needs to calculate Your Fee(s). For the avoidance of doubt, should You reject a reasonable offer of Compensation and/or refuse to sign a Company's Acceptance. FTR reserve the right to charge a fee of £500 per PPI complaint sent to the 'Company' if a request for disclosure of the offer is not received within 7 days of notification."*

And its this term that FTR relied on to ask Mrs L to pay their fee of £500. But Mrs L never received an offer or payment of compensation from her lender directly. But I can see that in June 2021, the lender responded to a request from FTR about Mrs L's claim telling them that the complaint had been closed. And that they would only deal with the Official Receiver direct. The notification was for Mrs L but addressed to FTR at the address we hold for them. CMCOB 6.1.4 says:

*"The firm must pass on to the customer:*

*(a) any information received from a third party which is addressed to, or meant for, the attention of that customer"*

I know FTR said they didn't receive the information from the lender, but it was addressed correctly to them. I can also see the lender in January 2020 sent a delay letter for Mrs L to FTR but again I can't see that FTR passed this information on to Mrs L. As I can't see Mrs L had any contact from the lender direct or that FTR passed on any information from the lender to her. And her mis-sold PPI complaint was closed. I don't think FTR acted fairly in relying on the term they did. I also think as outlined above following the call in October 2020 that FTR was aware of Mrs L's bankruptcy and that they should have taken action to determine any outstanding liabilities Mrs L may have had.

CMCOB also provides guidance about keeping customers informed. CMCOB 6.1.9

*"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."*

I understand FTR like other businesses was impacted by the pandemic. But I can't see there was any contact from FTR to Mrs L after December 2019, until Mrs L called them in October 2020. And it was nearly a year after that when FTR asked Mrs L to send to them a final response from her lender.

CMCOB 6.1.6 says:

*“..... a firm should consider whether it is necessary to inform the customer that:  
(a) updates from the firm are likely to be less frequent while the progress of the claim is not within the firm’s control; and  
(b) the customer may contact the firm at any time to discuss their claim and its progress.*

I haven’t seen any evidence that FTR informed Mrs L about the impact of the pandemic on their ability to provide meaningful updates and progress about her mis-sold PPI claim.

Taking all of the above into account, I don’t think Mrs L would have experienced the distress she has suffered if FTR had adhered to CMC OB. And I can understand how distressing it would have been to receive a claim form saying she was in breach of her contract and legal action for the recovery of £500 was being taken against her in the county court.

### **Putting things right**

I’m pleased to see that FTR accepted that asking Mrs L to pay the £500 fee wasn’t fair and that they’ll no longer seek recovery of this. But I don’t think this was enough to put things right as Mrs L has experienced the distress of legal action being taken for a fee that I don’t think was justified.

I agree with our investigator that FTR should pay Mrs L £275 for the distress and inconvenience caused by their poor customer service in failing to adhere to the relevant guidance.

### **My final decision**

I uphold this complaint. And ask Quickly Finance Limited trading as Fast Track Reclaim to pay Mrs L £275 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs L to accept or reject my decision before 10 October 2023.

Anne Scarr  
**Ombudsman**