

## **The complaint**

Mr W complains that Quickly Finance Limited trading as Fast Track Reclaim (FTR) has unfairly asked him to pay a fee for a successful mis-sold payment protection insurance (PPI) claim.

## **What happened**

In November 2018 Mr W said he'd used FTR's free checking service to see if he'd been mis-sold any PPI. He said he was told in January 2019 that PPI hadn't been found for two of his lenders. He said he didn't hear anything more from FTR. In April 2019 he said another lender I'll call "B" sent him a cheque for mis-sold PPI. But in October 2022, FTR asked him to pay a fee as the claim with "B" had been successful. Mr W complained to FTR.

FTR said Mr W had instructed them to act for him when he signed their letter of authority (LoA) in November 2018. And he'd completed a PPI questionnaire in January 2019 to support his complaint that PPI had been mis-sold to him. They said they'd sent a letter of complaint (LoC) with the completed PPI questionnaire to "B" the same month. FTR said as they'd submitted his complaint to "B" and Mr W's claim was successful their fee was justified.

Mr W wasn't happy with FTR's response. He said he'd used a couple of claims management companies, and FTR hadn't told him anything about a claim to "B". He referred his complaint to us.

Our investigator said it wasn't fair for FTR to ask Mr W to pay his fee as they hadn't kept him updated about his claim with "B" or told him that PPI had been found. And there wasn't any evidence that showed, on balance Mr W had completed the PPI questionnaire.

FTR disagreed. They said they'd shown the PPI questionnaire had been completed by Mr W. And updates to Mr W were affected by guidance from Financial Conduct Authority (FCA) and the impact of the pandemic. They asked for an ombudsman to decide.

A provisional decision was issued in August 2023 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 reach a different way to put things right for Mr W's complaint than that of our investigator.*

*Its not in dispute that Mr W signed a LoA in November 2018 instructing FTR to carry out a free check to find out if he'd any PPI policies. FTR feel strongly that having found PPI they'd been authorised by Mr W to provide their claims service, and he'd agreed to their terms and conditions. They said that it was their submission of the LoC that meant Mr W's complaint about "B" mis-selling him PPI was successful. But Mr W says he didn't know FTR had*

submitted a claim to "B".

*In reaching my decision I need to determine whether Mr W had authorised FTR to provide their claims service, and whether they've acted fairly and reasonably in their actions with him.*

*The Financial Conduct Authority (FCA) deemed 29 August 2019 as the deadline for mis-sold PPI claims to be made. A lender 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 W signed a LoA in November 2018. This would be Mr W's instruction for FTR to check whether he'd any PPI. The checking service would have been done by FTR, free of charge. The terms and conditions say:*

*"FTR will carry out a free PPI check. Once PPI has been identified we will notify you and upon your instructions will submit your complaint to the lender. If the claim is successful, our fee, as per these Terms and Conditions, will apply."*

*And the terms and conditions go on to give examples of the fees that FTR would charge 20% plus VAT.*

*FTR's records show that "B" confirmed at the end of December 2018, that Mr W had PPI with them for account ending \*6290. So, I'm satisfied "B" accepted FTR were representing Mr W. FTR said their process on PPI being found would be to email and text message their customer to tell them that PPI had been found. The message(s) would also include a link that would take their customer to their website to complete the PPI questionnaire.*

*I can see from FTR's records that in January 2019 having been told Mr W had PPI that they added his details to their automated process for the notification messages to be sent. On the same day (three hours later) FTR's records show that the PPI questionnaire was completed and returned by Mr W.*

*As the PPI questionnaire provided supporting information and was completed online a signature wasn't required for the PPI questionnaire to be accepted by the lender. I can see the PPI questionnaire provided details about Mr W's employment, the purpose of the loan – buying a car, and other personal details. And Mr W has said FTR had been in touch with him around this time about his other lenders. So, on balance, I think FTR notified Mr W he'd PPI and by returning the completed PPI questionnaire Mr W instructed FTR to submit his claim to "B".*

*From FTR's records I can see later in January 2019 FTR submitted a LoC, with the completed PPI questionnaire and LoA to "B". And I can see that "B" acknowledged receipt of the LoC towards the end of the same month. In their acknowledgement they advised FTR that they would contact Mr W themselves to discuss his PPI complaint. And that they would let FTR know their decision before the end of March 2019. So, I'm satisfied that FTR submitted Mr W's claim.*

*The agreement Mr W had with FTR was on a "No win No fee" basis. This meant FTR would charge a percentage success fee, not a fee based upon the amount of work they actually*

*undertook. This means that any work done on any unsuccessful claim would be done for free. When a claim was successful, FTR's fee may be more or less than the value of the work they actually did. This is the risk taken by all parties in this type of agreement.*

*FTR's terms and conditions say:*

*"1.8 You will inform FTR promptly of any relevant matters affecting the claim(s), such as direct contact from the Company."*

*I can see "B" paid Mr W a compensation payment for his mis-sold PPI for account \*6290 at the end of April 2019. But I haven't seen any evidence that Mr W notified FTR that his claim had been resolved. And as Mr W's claim was successful, I'm satisfied that FTR's fee for his successful claim is justified.*

*The Claims Management Conduct of Business (CMCOB) provides guidance to claims management companies (CMC) like FTR. I've considered the relevant guidance.*

*CMCOB 6.1.5R says:*

*"A firm must notify the customer of: (b) any material development in the progress of the customer's claim; "*

*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, in a durable medium."*

*And CMCOB 6.1.10 says:*

*"If, during the period to which the report relates, the firm has not sent any notifications to the customer under CMCOB 6.1.5R, the update should indicate why, to the best of the firm's knowledge, there have been no material developments."*

*The guidance goes on to say that updates should continue to be given until the claim is "finally determined or settled or is withdrawn or discontinued." "B"'s acknowledgement after FTR submitted Mr W's claim said they'd send a final decision to them before the end of March 2019. FTR's records show they didn't ask "B" for any update until July 2019. And I can't see that FTR took any action to follow up this request when they didn't get a response from "B". It wasn't until January 2021 that FTR sent a letter to Mr W asking for a copy of his final response letter from "B", nearly two years after Mr W's claim with "B" had been resolved. And in March 2021 FTR asked Mr W to sign another LoA, and any correspondence Mr W had from "B". I know Mr W said he didn't receive these letters, but I can see they're addressed to the same address we have on record for Mr W. So I can't say the letters weren't sent by FTR.*

*But I haven't seen any evidence that FTR updated Mr W or provided any further detail about his claim until they sent him an invoice asking him to pay their fee in October 2022. After Mr W received his redress from "B" I can see he entered into an Individual Voluntary Arrangement (IVA). If Mr W had been charged by FTR at this time I think this would have needed to be considered under the IVA. But it wasn't. Mr W has said his IVA has now ended, but the poor customer service provided by FTR I think has added to his financial concerns. And by only being told in October 2022, more than three years after he'd received the redress that he now owed FTR around £450 has caused Mr W distress and inconvenience.*

*While FTR's fee is justified I expect them to work with Mr W in seeking repayment of this that doesn't place an unreasonable financial burden on him. And I intend to ask FTR to pay Mr W £250 to compensate him for the distress and inconvenience caused by their poor customer service.*

### **Responses to the provisional decision**

Mr W didn't dispute he'd agreed to FTR carrying out a free check to see whether he'd any PPI. And when he received the compensation from his lender in April 2019 he thought this was because the deadline for such claims, August 2019 was approaching. He said that it wasn't fair that FTR should ask him to pay a fee several years later.

FTR haven't asked for any further representations to be considered.

I can understand Mr W's frustration and in my provisional decision I agree with him that the customer service provided by FTR was poor as they'd failed to keep him informed about his PPI claim as guided to within CMCOB. But under the terms and conditions of the agreement Mr W had with FTR I don't think they acted unfairly in asking Mr W to pay their fee as his PPI claim that they'd submitted on his behalf was successful.

So having considered the responses I haven't seen anything to change the decision I reached in my provisional decision.

### **My final decision**

I partially uphold this complaint. And ask Quickly Finance Limited trading as Fast Track Reclaim to pay Mr W £250 for distress and inconvenience caused by their poor customer service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 26 October 2023.

Anne Scarr  
**Ombudsman**