

The complaint

Miss S has claimed that Quidie Limited trading as Fernovo (“Quidie”) failed to treat her with forbearance when she contacted it in 2023 to let it know she was medically and financially vulnerable.

Background

Miss S took out a loan with Quidie in June 2023. Shortly after receiving the funds, she contacted the business to let it know she was experiencing vulnerabilities. She explained this had impacted her income and she wasn’t going to be able to meet her monthly repayments. She asked to be put on a repayment plan. However, the plan wasn’t arranged until December 2023 by which time Miss S had brought her complaint to this service. She feels that Quidie failed to provide her with support, made her feel judged and bullied and hasn’t treated her reasonably. She wants it to consider removing all the interest added to the loan, or writing off the balance entirely, to resolve the issue.

Quidie claims that it has treated Miss S fairly. It says when she contacted it in June 2023 it asked for some additional evidence from her which it never received. It says when she contacted it again in September 2023 it provided her with breathing space, in November 2023 it accepted a proposed debt management plan when Miss S sent it one, and finally in December after Miss S decided not to go through with a formal debt management plan, it agreed a tailored repayment plan at £23 per month without the addition of any more interest.

As Miss S had brought her complaint to this organisation before Quidie had set up a repayment plan, one of our investigators looked into it already. She found that Quidie had failed to offer Miss S reasonable levels of support after it had become aware she was vulnerable. She upheld the complaint and asked that Quidie discuss a repayment plan with Miss S and pay her £50 compensation.

Quidie accepted the investigator’s findings and set up a repayment plan and paid Miss S £50. However, Miss S didn’t accept the investigator’s findings as she felt that Quidie should pay her more in compensation for the level of distress and upset it had caused during the months she was trying to get the matter resolved.

As Miss S didn’t accept the findings she asked for an ombudsman to reconsider her complaint and so it’s been passed to me.

My findings

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 agree with the findings of our investigator and won’t be asking Quidie to pay Miss S anymore compensation. I know this will come as a disappointment to Miss S but it’s important to clarify the purpose of this service isn’t to punish businesses, we’re not punitive in nature and the way we award compensation varies considerably from what might happen in the Courts.

The facts of the case aren't in contention so I won't repeat them in complete detail here. Instead I'll focus on the chronology of Miss S' contact with Quidie, how and when it responded, and whether I think it's done enough to try to resolve the matter.

Miss S took out a loan with Quidie in June 2023, experienced immediate financial vulnerability and was unable to make her first payment. She contacted the business to explain what was going on and disclosed a number of medical vulnerabilities to the business asking it for help. Quidie responded by asking Miss S to send it documentary evidence supporting her medical issues. That request was made in early July 2023 but Miss S didn't respond to it.

Ms S next contacted Quidie in September 2023 asking for breathing space as her financial situation was still difficult and she was still unable to meet payments. Quidie agreed to the request, her account was frozen with no interest being added to it until the end of November that year.

Before that freeze was due to end Miss S contacted Quidie again and explained she was entering a Debt Management Plan ("DMP") and that would mean she wouldn't make her contracted monthly repayments but rather smaller reduced repayments. Quidie accepted the proposed plan and the reduced repayment amount. However a week or so later Miss S contacted it again to explain she'd decided against starting the DMP and instead wanted to start a personalised repayment plan with Quidie.

Quidie agreed to that plan and in December 2023 it was agreed Miss S would pay £23 per month towards her debt and that the interest would remain frozen for another three months.

Miss S has explained that while she was trying to arrange the repayment plan with Quidie one of the biggest issues she had was not being able to bypass the 10% minimum token payment that had to be made in order to start reduced payments. She has said she was trying to access the plan through her smart phone but the functions didn't give her the option to enter an alternative amount. She was unable to afford a 10% payment up front and so couldn't start the repayment plan as early as she wanted.

It does seem that once Miss S phoned Quidie and spoke to a representative it became apparent that she could circumvent the minimum repayment amount, which Quidie has explained isn't 10% but is a suggested amount that can't be edited on the reduced website available through a smart phone. I agree that it must have been extremely frustrating for Miss S to try to start this process herself online only to get stuck so early into it and not be able to complete it. And I appreciate that would have added to her worry and overall stress at a time when her personal life was already extremely challenging.

However, I need to think about how Quidie responded once it became aware of Miss S' situation and what she wanted and whether it was reasonable. I know that from Miss S' point of view Quidie was the business she found most difficult to communicate with and to get a repayment plan in place with. But I'm also aware that once she had spoken to someone, as opposed to trying to do it all through her phone, the process itself seemed relatively straight forward and pretty much what I would have expected. When Quidie was asked to agree to reduced payments via a DMP it agreed. When Miss S spoke to it and explained her circumstances asking for breathing space, and ultimately a repayment plan, it also agreed. And it agreed to set it up without the minimum token payment.

So, while I understand Miss S found Quidie's processes very difficult to navigate and that she found the business to be less supportive than others she dealt with at the time, I can't say that Quidie refused to provide support when asked for it or that it took an unreasonable amount of time for the repayment plan to be agreed or implemented. Which means I can't

ask Quidie to pay Miss S more compensation as I don't think it's warranted.

Miss S has explained that since the repayment plan was agreed in December 2023 it was twice been removed without notice from her account and it was only because she rang Quidie to complain that it was reinstalled.

Repayment plans aren't supposed to run indefinitely and it could be that Quidie's systems automatically revert to the contracted amount every few months in expectation that the repayment will revert to the full amount. Quidie should clarify with Miss S why this is happening and explain what measures it will put in place to ensure her repayment plan stays in place as this is causing genuine distress each time it happens.

It is my understanding that since our investigator issued her view Quidie has also agreed to freeze the interest on Miss S' loan completely and so that is no longer accruing. That is a reasonable course of action and one I'd have expected the business to do in these circumstances. So I'm satisfied Quidie is treating Miss S with the level of forbearance required by the regulations.

Putting things right

It is my understanding that Quidie paid £50 compensation to Miss S in May 2024 following the investigator's initial findings and implemented a repayment plans. Therefore, there is nothing further I require it to do.

My final decision

For the reasons set out above I uphold Miss S's complaint against Quidie Limited trading as Fernovo.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 October 2024.

Karen Hanlon
Ombudsman