DRN-5341555

The complaint

Mr K complains that Stagemount Limited trading as Quidmarket ("Quidmarket") lent to him irresponsibly.

What happened

Mr K took three loans. This table gives brief details.

Loan	Approved	Amount	Monthly Repayments (rounded)	Repaid
1	26 November 2021	£300	3 months x £156	28 February 2022
2	14 April 2022	£500	6 months x £151	30 September 2022
Over 12 months gap in lending				
3	18 October 2023	£400	3 months x £179	23 October 2023

Quidmarket has told us Mr K withdrew from loan 3 and paid £16 in interest.

Mr K complained to Quidmarket in July 2024 and received its final response letter dated 2 September 2024 in which it did not uphold his complaint. It made a goodwill offer to remove the three loans from his credit file.

Mr K referred his complaint to the Financial Ombudsman Service where one of our investigators considered it. He thought that the loans ought not to have been approved. Quidmarket disagreed but said that the original offer to remove the loans from his credit file was still available to Mr K. The unresolved complaint was passed to me to decide.

On 14 May 2025 I issued a provisional decision giving reasons why I disagreed with the investigator's use of the Lending Code and giving reasons why I considered Quidmarket had carried out proportionate checks and need not have done more. This led me to make a provisional decision that I did not plan to uphold the complaint about any of Mr K's loans.

Understandably Mr K was disappointed. He has sent me many submissions all of which I have read. At my suggestion Mr K received copies of the credit search documents Quidmarket carried out before approving each of his loans. Mr K has made comments on those too which I have read. Mr K has said that a 'credit card' likely was a shop revolving credit finance deal rather than the normal kind of credit card arrangement. I've thought about that.

What follows is a duplicated version of the provisional decision followed by my final determination having taken into account all of the points Mr K has submitted and having reconsidered the complaint and Quidmarket's defence to the claims.

What I've provisionally 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. We've set out our general approach to complaints about short-term lending - including all the relevant rules, guidance, and good industry practice - on our website.

Quidmarket had to assess the lending to check if Mr K could afford to pay back the amounts he'd borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. Quidmarket's checks could have considered several different things, such as how much was being lent, the size of the repayments, and Mr K 's income and expenditure.

I think in the early stages of a lending relationship, less thorough checks might have been proportionate. But certain factors might suggest Quidmarket should have done more to establish that any lending was sustainable for Mr K. These factors include:

- Mr K having a low income (reflecting that it could be more difficult to make any loan repayments to a given loan amount from a lower level of income);
- The amounts to be repaid being especially high (reflecting that it could be more difficult to meet a higher repayment from a particular level of income);
- Mr K having many loans and/or having these loans over a long period of time (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable);
- Mr K coming back for loans shortly after previous borrowing had been repaid (also suggestive of the borrowing becoming unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Mr K. I do not think that this applies to Mr K's circumstances. The first two loans were in 2022 and the third was applied for over a year after repaying the second loan. I don't consider that this constituted a pattern. And there was a significant gap between loan 2 and loan 3 which I have accounted for.

Quidmarket was required to establish whether Mr K could sustainably repay the loans – not just whether he technically had enough money to make his repayments. Having enough money to make the repayments could of course be an indicator that Mr K was able to repay his loan sustainably. But it doesn't automatically follow that this is the case.

I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Mr K's complaint. And I have listened to the recorded call Mr K had with our investigator in January 2025. I have noted the problems Mr K has informed us about.

I was sorry to learn of these events and what may have precipitated Mr K's application to Quidmarket. But my approach is to be impartial and to see whether Quidmarket has done all that it should have done before lending. And it was presented with a set of facts which it chose to verify and to carry out its own research before lending. These enquiries would not have led it to know the full picture – that Mr K effectively was running two households – unless Mr K had informed it of that. I've seen no evidence that he did.

Loan 1

This was the first loan Mr K had approached Quidmarket for and so I consider it to have been reasonable for it to have relied on the information Mr K gave to it. But in fact, Quidmarket did more than rely on his declared information.
In his application Mr K had said to Quidmarket that he earned (after tax) £4,250 each month and spent £700 a month on food, travel and utilities. He had declared that he had monthly credit commitments of £300 and a mortgage/rental cost of £1,500 each month.
Quidmarket verified his income using an industry wide method using a credit reference agency check. It was satisfied that his net income was as he had said it was.
It carried out an Income and Expenditure assessment (I&E) a copy of which I have received. Quidmarket had increased his credit commitment monthly cost to £1,020 and used the monthly mortgage/rent figure of £1,500 plus his utilities and food/travel figures as he had declared them.

That meant that Mr K was spending £3,200 each month. Quidmarket, using the increased figures, had calculated that Mr K had around £1,030 each month left over and so considered it was affordable to spend around £156 each month on the new and first loan. It was for a short term. There's no regulatory obligation to obtain a credit search but Quidmarket did do that in November 2021.

Having reviewed it I have read that the headline position was that Mr K had just under £251,000 of debt of which just under £230,000 was a mortgage he held jointly with another person costing £1,153 each month. So, in reality, as it was a joint mortgage, the cost of the mortgage to Mr K may well have been much less than the monthly £1,500 he had declared and which Quidmarket had used in its I&E. But it chose to proceed on the basis that Mr K paid the full mortgage cost each month. This was a fair approach by Quidmarket. And I say here that a mortgage is viewed differently as it is a secured loan on land.

Part of that overall debt figure shown in the credit report I have reviewed was just under £10,000 in unsecured loans and around £1,500 on credit cards for which his overall credit card limit was £5,600. Mr K was using only 27% of the credit card overall limit available. And a £10,000 loan debt would not have been considered high when Quidmarket looked at Mr K's circumstances as presented to it.

Mr K's current account had a £3,000 overdraft attached to it and the balance was reported as being £0. There were no adverse entries such as defaults, late payments or any Court judgments and no indications of current or pending insolvency.

Mr K had – for most of 2021 - taken a loan each month from a variety of lenders, some of which had been for a few hundred pounds, some for a few thousand and at least one was a payday loan. But Quidmarket was not the sort of lender for whom use of a payday lender would have been a concern as it offered high cost short term loans and it was in the same market. Overall, the loans Mr K had with other lenders were being paid down, the credit cards were not being utilised to their maximum, and the I&E assessment it had done was a clear indication that Mr K could afford a three month loan.

I have read what Mr K has said – that it ought to have recognised he was in a debt spiral. But I disagree that Quidmarket would have been expected to have recognised that when he applied for Loan 1. Within the circumstances surrounding Mr K's declared information combined with the proportionate checks Quidmarket carried out, I think it used the information it obtained fairly to assess the situation before lending.

I have thought about the investigator's use of the Lending Code percentage figure but I consider that too universal a figure on which to use as a foundation for an uphold. And as the authors of the Code indicate: '*Registered Firms are regulated by the Financial Conduct Authority (FCA) and will already be required to adhere to the Consumer Credit Sourcebook (CONC). For completeness, the Standards of Lending Practice also include where relevant, references to CONC and the Consumer Credit Act 1974, as amended (CCA). …but adherence to any CCA/FCA/CONC requirement is outside of the LSB's oversight regime.'*

And the section in the Code relating to the sale of a product mirrors what is already laid out in the CONC rules of which Quidmarket is aware and with which it must comply. The section in the Code to which I refer says: ***'Customer outcome****: customers will only be provided with a product that is affordable and which meets their needs or requirements.'*

The Code was written to highlight a satisfactory general approach to relationship building with lenders' customers. I do not consider that the Code takes precedence over any regulated firm's regulator's rules.

I do not consider that further checks were required to have been carried out by Quidmarket. So, it would have been disproportionate to have asked to view Mr K's copy bank account statements. I plan not to uphold the complaint about loan 1.

Loan 2

Mr K repaid Loan 1 on time and without issue and this would have been viewed by Quidmarket as relevant good account management and would have formed part of its assessment when Mr K approached it for a second loan in April 2022.

There was about a six week gap between paying off loan 1 and applying for loan 2 and so that would not likely have alerted Quidmarket that Mr K was reliant on obtaining credit as he has maintained.

For Loan 2, the amount was a little more than for loan 1 - £500. It was applied for as a six month loan.

Mr K declared his net monthly income as £4,250 which had been the same as for Loan 1 which Quidmarket had already verified.

Mr K had declared a very different figure for his monthly rent/mortgage payments of £125 (which may have been a typographical error by Mr K) and Quidmarket changed that figure to £590. On its I&E, a copy of which I have seen, it added a note '*as per CRA'* meaning it had obtained that figure from the credit search it had carried out and which I come on to later in this decision. The £590 figure was 50% of the mortgage repayment cost which as I've said earlier in this decision, would have been fair as Quidmarket would have seen that it was a joint mortgage.

Mr K had declared monthly utilities were £150 and his food/travel to be £0. Quidmarket had increased that last figure to £350 a month.

Quidmarket also had assessed, using the credit search, that his monthly credit commitments were higher than Mr K had declared (£350 each month) but were more like £806. The mortgage figure it used was £590. So, Mr K's money left over each month after subtracting these monthly costs from his net income was around £2,354. Even if Quidmarket had used the full mortgage cost of £1,180 (instead of the £590 figure – halved due to it being a joint mortgage), plus the food/travel figure used last time of £700 still the loan would have looked affordable when the monthly repayments were going to be £151. Again, it was for a short term of six months.

Quidmarket did a credit search. I have reviewed the copy sent to me. The April 2022 credit search showed a total overall debt of a little over £253,000 of which £226,000 was the mortgage figure. His credit card use had fallen to £639 on an overall credit limit of £5,600 which translated into an 11% usage which Quidmarket would have recognised as being a low amount. Which would have deflected from any suggestion that Mr K was having financial difficulties.

The figure for unsecured loans had increased to £23,440. Looking into some of the detail from that credit report and which Quidmarket would have seen too, Mr K had:

- taken a £4,000 bank loan repayable over 27 months the month before applying for the Quidmarket loan 2 and this was still live – monthly cost £169; and
- taken three loans in November/December 2021 since taking loan 1 and these were repayable over a variety of terms ranging from 6 months to 18 months. The monthly repayments were still live, and the report indicated that these were costing around £103, £130 and £500 each month. Although the £500 a month one does not look like an accurate reflection of the repayments as the loan itself was only £500.
- taken an £18,000 loan repayable over five years in early November 2021 – this was taken just before the Quidmarket Loan 1, but it had not appeared on the credit search it had carried out for Loan 1 as it would have been too close in time to that Loan 1 application date. That's not unusual as credit report data often takes 8 weeks to update. The repayment figure for this loan was £302.

This increase in loan uptake may have been seen as a little unusual. And these were all open. They were the loans for which the monthly repayments figure was increased by Quidmarket from Mr K's declared sum of £350 to £806 each month. It possibly ought to have been a little more if the credit report saying that one of the loans was a £500 a month cost. But even if I factor that into the Quidmarket assessment still I consider the I&E for Loan 2 would have looked fair and reasonable.

Added to which Mr K's overdraft of £3,000 was now almost all used up. This had altered a lot since November 2021 when he'd taken Loan 1. However, Mr K's verified salary and the checks Quidmarket had carried out were proportionate considering the second loan was only for £500.

Quidmarket is a lender aware that people have cash flow problems and it offers loans for that type of situation. If Mr K's credit report had revealed other issues as well as the uptake in loans, such as poor repayment histories or a recent default or payment plans/pending insolvencies, then I think that Quidmarket may have been on alert. But here with a good track record, all payments up to date and with no adverse credit on his credit report then I do not consider that Quidmarket needed to drill into more detail or carry out further checks.

Added to which, the I&E it had carried out indicated that Mr K would have had over £2,350 with which to use to repay the loan. And so, it would have had no other reason to be alerted to an issue.

I appreciate Mr K's views on these sorts of loans, but for the application he made to Quidmarket for its Loan 2 I do not consider that further checks were required. I plan not to uphold the complaint about Loan 2 and I know Mr K will be disappointed.

Loan 3

Mr K applied for Loan 3 in October 2023 which was more than a year after Mr K had repaid Loan 2. A gap as significant as that means that I would consider it a reasonable approach for Quidmarket to treat Mr K as a new customer.

Mr K applied for £400 over three months. He had told Quidmarket that it was for a '*one off purchase'*. He declared his net monthly income as £5,015 and his mortgage repayment as £1,050 each month. Mr K said that his utility cost was £150 each month plus his food and travel cost combined was £650.

Quidmarket approached the loan application in the same way as before. It reduced his net monthly income figure to £4,250 with a note saying, '*same as prev'* which I translate to mean 'same as previous'. This suggests that it had used the information it had about Mr K from the previous year.

Mr K declared monthly credit commitment costs of £350 which was increased to £1,273 by Quidmarket having checked it using a credit search. So, it calculated that after deducting these figures (as enhanced by it) from Mr K's verified income figure then he'd have had around £1,127 a month left over. So, the Loan 3 repayments at £179 for three months looked affordable.

Quidmarket did a credit search and I have a copy which I have reviewed. Mr K's overall debt discounting his mortgage was just under £55,500. The details show that a large proportion of that was for a hire purchase agreement for just under £22,000 taken in July 2023. It was due to be repaid over 49 months at £278 each month.

That left Mr K with around £23,000 of unsecured loan debt which is not a huge sum in general. And if Quidmarket was going to compare figures with the Loan 2 application – Mr K's loan debt was about the same.

Mr K's credit card use had dropped – he had a limit overall of £700 of which his outstanding balance was £507. Quidmarket would have recognised this as being low.

Mr K's credit limit had dropped for one card from £5,000 to £100. I've thought about whether that would be considered a negative element for Quidmarket – but I see from the credit report that Mr K had not used that card for a couple of years and there were no corresponding poor repayment entries for that account. So, on balance I've decided it would not have been a concern – and more likely to have been a positive element.

Mr K's overdraft was still with a limit of £3,000, but had only an £863 balance. It had reduced a lot in August 2023.

The headline information at the start of the credit report did indicate that Mr K had a late payment marker '2' for the previous 12 months. And reviewing the credit file I think this referred to a modest loan he'd taken in September 2022 which showed a couple of months of being in arrears but was settled February 2023.

Overall, Quidmarket would not have viewed this credit report as having anything to concern it. There were no adverse entries other than the settled account to which I've just referred. And that was a minor issue overall. Mr K had no Judgment debts, or any indications of insolvencies and so I'd not have expected Quidmarket to have carried out any further checks. To do that would have been disproportionate considering the loan application was for a small sum over a short time and it had been a year since Mr K had paid off Loan 2.

I plan not to uphold the complaint about Loan 3.

Quidmarket has told us Mr K withdrew or cancelled Loan 3 and repaid it in full with £16 interest about a week after he'd taken the loan.

I've also considered whether Quidmarket acted unfairly or unreasonably in any other way and I have considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think it lent irresponsibly to Mr K or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

As I outlined earlier in the decision, my understanding is that the offer to remove Mr K's loans from his credit file remains. That's a matter for Mr K to approach Quidmarket to ask it to do that. But I will not be asking Quidmarket to do anything more.

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.

Quidmarket has not responded to the provisional decision and as it was a non-uphold of the complaint that would not be considered unusual.

Mr K has responded in detail. Here are summarised bullet points. I've not listed them all as some overlap or are repeated points. I have read and considered all of Mr K's points even if they are not listed here.

- Quidmarket fuelled the debt spiral with exorbitant interest when he was in crisis;
- He was reliant on high interest borrowing;
- His overdraft was always being used and was not £0 nor was it £863 as reported in the credit report;

- My point about Quidmarket not being put off lending because Mr K had history of payday lending on his credit file – Mr K found this incomprehensible;
- A credit card account in the credit report he could not identify – then he recalled details of it being a revolving credit/finance agreement type arrangement;
- All his lending was paid off by other supplementary borrowing;
- A six week gap is not a long time between loan 1 and loan 2;
- On the Loan 2 application, the typographical error of £125 instead of £1,250 for the mortgage figure – Mr K wanted to know why Quidmarket did not check it. And Mr K wanted to know why did Quidmarket not use the full mortgage figure of £1,250 rather than the £590 it did use;
- Mr K questioned why a significant shift in loan reliance and rapidly accumulated indebtedness plus use of his overdraft would not lead to an uphold of the complaint;
- Mr K challenged his credit report which I described as showing 'a good track record' and 'no adverse credit entries';
- Mr K accepts his I&E details were not accurate but goes on to say that he would have expected a lender to have applied more diligence around their checking for responsibility reasons;
- Raising his expenditure figure from £350 (declared) to £1,273 (as discovered) ought to have prompted Quidmarket to have had significant cause for concern;
- The late payment marker from 12 months before the loan 3 application ought to have been another red flag.

After receiving copies of his own credit searches carried out by Quidmarket, Mr K said:

> *'That seems a hellish picture of borrowing and debt over time and looks even worse seen like that so I do find it difficult to understand how that wouldn't constitute a vulnerable customer being repeatedly lent to against a backdrop of accumulative indebtedness.'*

I want to reassure both parties that where I haven't commented on a specific issue which has been referred to, or a comment that has been made, it's not because I've failed to take it on board and think about it. The reason I will not have commented on the issue is because I'm satisfied that I don't need to do so in order reach what I consider to be a fair and reasonable outcome. Or, for a final decision following a provisional decision, I may not comment on the point as likely I've already covered it off in the provisional decision. I refer the parties to that earlier decision (duplicated above). For the sake of completeness, I would add that our complaint handling rules permit me to adopt such an approach.

Nothing Mr K has said has persuaded me to alter my position or findings in relation to the three loans. Mr K has asked for further explanations, or has said that he has not understood. There's no new evidence that has been sent to me apart from the revolving credit account which Mr K has identified. But that changes nothing.

There are so many points raised by Mr K that I have tried to answer them collectively.

Mr K seems to have misunderstood the preliminary parts to my decision – the coming back for more loans/repeat lending and having many loans creating a pattern - refers to just the Quidmarket loans. It does not refer to Mr K's overall credit picture. Mr K will not be aware of the repetitive lending complaints I have dealt with for many years with many different high cost short term lenders where one person has multiple and overlapping loans from the same lender in a very short space of time – and it is that sort of lending picture to which this summary relates. Placed within the context of the usual 'repeat lending' scenarios Mr K's taking of three loans of £300, £500 and then £400 with a year's gap in the middle does not equate to *'…a point where the lending history and pattern of lending itself clearly* *demonstrates that the lending was unsustainable for Mr K'.*

There was no evidence to suggest to Quidmarket that Mr K had become reliant on high interest borrowing as he maintains. This is because applicants reliant on high cost loans do not have the sort of income, expenditure and lending history that Mr K had. Mr K may think that it showed this but for Quidmarket which is used to lending in that high cost short term loan market and had carried out proportionate checks for each of Mr K's applications, it did not.

The very high interest rates are well known for these sorts of payday and high cost instalment loans with short terms. And Mr K would have been aware of the rates as they were clear in the credit agreements. Mr K has to remember that a significant part of this overall picture is that he approached Quidmarket for the loans and he was wanting relatively small loans and he gave information to present himself to it as a high income earner with manageable credit costs. It did not know, and would not reasonably have been expected to know, of the trials and tribulations Mr K was going through which meant that in reality he was running two lives – that for his family and that for himself. So, unless Mr K had been able to show me evidence that he had informed Quidmarket of all of these details, I do not consider it reasonable that I come to a conclusion Quidmarket did the wrong thing by lending to him. And it lent to him after it had completed proportionate checks and had used the information it obtained: for example – it increased the costs and expenditure figures he had placed on his application forms with more realistic figures. And Quidmarket had verified his income as being over £4,000 a month after tax. There's no evidence that Mr K informed Quidmarket of the real position.

Mr K has said to me since the provisional decision was issued:

> '…*had I put the true figures then I would never have managed to get the loan which I needed at that time to pay off other lenders...it is called a debt spiral for good reason and I knoe* [sic] *because I was caught in one.'*

So, Mr K admits he was not open and accurate on the application form. And from Quidmarket's perspective, it had to verify details, it did checks and it altered the I&E figures and still the loans looked affordable. These were small loans over 3 or 6 months. If Quidmarket had done the checks, increased the figures and the loan repayments had not been affordable to Mr K, and still it had lent to him, then that would likely have been a lending decision I'd consider an irresponsible one.

One of Mr K's comments is that he says his overdraft outstanding balances as presented by the credit reports were not accurate. It is entirely reasonable that Quidmarket carried out credit searches which was part of what it considered to have been proportionate checks. But then it was entitled to rely on those credit report contents. Mr K seems to suggest that Quidmarket ought to have ignored that information and chosen to delve deeper. This would not have been expected as Quidmarket would have had no reason to disbelieve the credit report information.

Where an applicant for a high cost payday loan – such as Mr K here with Quidmarket – has on his credit file other evidence of having taken payday loans in the past, that would not be something that would lead Quidmarket either to refuse the loan or to consider that it needed to carry out further checks.

As for the issue raised by Mr K as follows - *The typographical error of £125 instead of £1,250 for the mortgage figure – Mr K wanted to know why Quidmarket did not check it and….wanted to know why did Quidmarket not use the full mortgage figure of £1,250 rather than the £590 it did use* - all I can say is that Quidmarket did check it. The credit report informed Quidmarket that it was a joint mortgage – so it was perfectly reasonable to use the 50% figure. And in any event, I said in my provisional decision and I repeat here – even if Quidmarket had used the full mortgage cost not the 50% figure still Loan 2 would have looked affordable on the figures it had for Mr K.

Mr K has questioned why the raising of his expenditure figure from £350 (declared) in his Loan 3 application to £1,273 (as discovered) did not prompt Quidmarket to have had significant cause for concern. This likely did not lead Quidmarket to have been concerned, because even with that increased figure, still the income it had verified for Mr K indicated he could afford loan 3.

Overall, Mr K's points do not persuade me to alter my findings. I repeat all that I said in the provisional decision. That reasoning plus the further explanations and reasoning I've given above, lead me to the decision that I do not uphold the complaint.

I've also considered whether Quidmarket acted unfairly or unreasonably in any other way and I have considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think it lent irresponsibly to Mr K or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

As I outlined earlier in the decision, my understanding is that the offer to remove Mr K's loans from his credit file remains. That's a matter for Mr K to approach Quidmarket to ask it to do that. But I will not be asking Quidmarket to do anything more.

My final decision

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 June 2025.

Rachael Williams
Ombudsman