

The complaint

Mr B through his representative complains that PROPEL HOLDINGS (UK) LIMITED trading as QuidMarket lent to him when he could not afford the loans.

What happened

Here is a table giving a summary of the lending.

Loan	Approved	Amount	Terms (rounded figures)	Status
1	4 July 2022	£300	26 weeks £23 a week	Paid a few days late on 13 January 2023*
2	13 January 2023	£600	21 weeks £52 a week	Paid 30 June 2023

*the reason given for the delay had been an issue with Mr B's employer's payroll.

After Mr B had complained, QuidMarket responded with its final response letter which was a non-uphold of his complaint. It was referred to the Financial Ombudsman where one of our investigators came to the same outcome. Mr B disagreed and the unresolved complaint was passed to me 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.

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 B 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 a number of different things, such as how much was being lent, the size of the repayments, and Mr B's income and expenditure.

With this in mind, 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 B. These factors include:

- Mr B 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 B having a large number of 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 B 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 demonstrated that the lending was unsustainable for Mr B. I don't think this applied here as Mr B took two loans only.

QuidMarket was required to establish whether Mr B 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 B was able to repay his loan sustainably. But it doesn't automatically follow that this is the case.

Loan 1

For Loan 1 Mr B declared an income of £1,670 which QuidMarket's records supplied to me show that it used a credit reference agency tool to verify that income. This tool is used industry wide and I have no concerns surrounding QuidMarket's verification of Mr B's monthly income.

It received information from Mr B about his outgoings and these were that his rent was £500 a month, his utility bills were £200 a month, and his food and travel was £200 a month (which QuidMarket increased to £250 a month).

QuidMarket obtained a credit report dated July 2022 a copy of which I have seen and reviewed. Mr B's overall debt figure of around £17,000 included around £11,000 on a hire purchase agreement and his overall use of his credit cards was not to the maximum of his overall credit limits on those cards – it was at 59% which is not high. He had received a default on an account in August 2017 but that had been paid off in November 2018 and so I do not consider that would have caused any concerns to QuidMarket which is a lender used to lending to applicants with adverse credit data history.

The declared credit cost each month was increased from Mr B's £100 to what QuidMarket considered a more realistic figure of £346 each month. This left Mr B with a disposable monthly income figure after all had been paid off of £374. And as Loan 1 was around £23 a week for a relatively short period then I consider that to have been a proportionate check and which showed the loan to be affordable. I do not uphold the complaint about Loan 1.

Loan 2

For Loan 2, the declared income by Mr B was £1,600 each month. Mr B said that he spent £100 a month on utilities, £100 a month on food and travel (which QuidMarket increased to £250 in line with the previous loan application) and his rent was £500, as before.

It carried out a credit report search and a copy of that reported dated 13 January 2023 has been provided to me which I have reviewed. This showed a significant drop in Mr B's overall debt balance to £6,096 of which just under £4,600 was a hire purchase agreement costing £142 each month.

But it also showed some relatively recent arrears on some accounts. QuidMarket had flagged Mr B's credit report as requiring a further check. And to do that it asked Mr B for copy bank account statements for the period leading up to the January 2023 loan application. So, the set of bank statements QuidMarket has provided to me which were reviewed at the time he applied for Loan 2, are dated 9 December 2022 to 6 January 2023. I have reviewed them.

Mr B's income does look to have been what QuidMarket had verified it as being and so it would have further satisfied itself about that before lending.

Mr B's current account balance does show that it was bouncing under his overdraft facility maximum of £3,000 for some of the time, but when his income or other credits were paid in then it reduced. Sometimes the overdraft balance was around £1,800. And use of an overdraft does not on its own necessarily precipitate a reaction by a lender that the loan ought to have been refused.

The statements showed that Mr B had two other loans costing around £50 a month and £42 a month. There were no records of any returned Direct Debits or any indication that Mr B was unable to pay priority bills.

There are no signs of Mr B having any payday loans or other items which would lead me to think that QuidMarket ought to have concluded Mr B was experiencing financial difficulties. Added to which it's generally known that December time usually is an expensive month for winter celebrations and marking of events around that month.

Overall, this review of a relevant and contemporaneous bank account statement for Mr B, combined with the relatively manageable overall debt balance shown on the recent credit report it had obtained, demonstrates to me that QuidMarket had carried out checks that were proportionate, including an additional check when it felt it needed to. And that having done that it was satisfied that Mr B could repay £52 a week over five months (shorter than the previous loan) satisfactorily. It was paid off. I do not uphold Mr B's complaint about the second 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 B 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.

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 B to accept or reject my decision before 27 August 2025.

Rachael Williams
Ombudsman