

## The complaint

Mr M complains that Stagemount Limited trading as Quid Market (“QuidMarket”) was irresponsible to lend to him on six occasions.

Mr M has brought his complaint via a representative but I will refer to him throughout for simplicity.

## What happened

QuidMarket agreed six loans for Mr M from February 2019 to July 2023. I’ve summarised some of the information it provided about these loans in the table below.

Loan	Date funded	Settled	Amount	Total owed	Repayment	Term
1	13/02/2019	31/05/2019	£400	£660.78	£220.26	3 months
2	31/05/2019	29/11/2019	£750	£1,447.20	£241.20	6 months
3	22/06/2020	31/07/2020	£750	£1,499.94	£249.99	6 months
4	10/10/2020	12/02/2021	£1,000	£1,776.39	£84.59	21 weeks
5	12/03/2023	23/06/2023	£500	£735.24	£183.81	4 months
6	26/07/2023	02/02/2024	£1,200	£2,399.54	£92.29	26 weeks

I’ve noted that there was a gap of seven months between the second loan being repaid and Mr M taking out a third loan, and a gap of over two years between the fourth and fifth.

In June 2024 Mr M complained to QuidMarket about his loans. He said that he wasn’t given sufficient information about them and that they were very easy to obtain. Mr M also said that the loans had a negative impact on his credit rating and made it more difficult for him to obtain other sources of credit.

QuidMarket said that its affordability checks were reasonable, proportionate and in line with its regulatory responsibilities. It said it lent responsibly to Mr M on all occasions and didn’t uphold his complaint.

Mr M wasn’t happy with this resolution and referred his complaint to us. One of our investigators looked into things and found that QuidMarket should have carried out further checks when Mr M applied for his second, fifth and sixth loans and, had it done so, would not have approved loans five and six for him. They recommended that Mr M’s complaint about his last two loans be upheld.

QuidMarket didn’t agree with this recommendation and asked for the complaint to come to an ombudsman to decide.

I sent out a provisional decision on 7 April 2025 to explain why I planned to uphold Mr M’s complaint in part, and to share the information I’d relied on with both parties.

Mr M accepted my provisional decision, but didn’t provide any comments or new information for me to consider. I haven’t had a response from QuidMarket.

## **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 reviewed everything again and having no new information or comments to consider, I see no reason to depart from my provisional conclusions. I'll explain my reasons for partly upholding Mr M's complaint again in this final decision.

As before, when making my decision, I've had regard to the regulator's rules and guidance on responsible lending (set out in its consumer credit handbook – CONC) which lenders, such as QuidMarket, need to abide by. QuidMarket will be aware of these, and our approach to this type of lending is set out on our website, so I won't refer to the regulations in detail here but will summarise and refer to them where appropriate.

Before entering into a credit agreement, QuidMarket needed to check that Mr M could afford to meet his repayments as they fell due over the lifetime of the agreement, out of his usual income without having to borrow, without failing to make any other payment he had a contractual or statutory obligation to make and without the repayments having a significant impact on his financial situation.

The checks carried out needed to be proportionate to the nature of the credit (the amount borrowed or the term, for example) and to Mr M's particular circumstances. Generally, more in depth checks might be proportionate the higher the loan amount or the longer the loan term or the lending relationship, and QuidMarket needed to have proper regard to the outcome of its assessment in respect of affordability risk.

The overarching requirement was that QuidMarket needed to pay due regard to Mr M's interests and treat him fairly. CONC 2.2.2G(1) gave an example of contravening this as 'targeting customers with regulated credit agreements which are unsuitable for them by virtue of their indebtedness, poor credit history, age, health, disability or any other reason.'

With this in mind, my main considerations are did QuidMarket complete reasonable and proportionate checks when assessing Mr M's applications to satisfy itself that he would be able to make his repayments without experiencing adverse consequences? If not, what would reasonable and proportionate checks have shown? Was there anything of concern in the checks QuidMarket did carry out and did it make fair lending decisions? Did QuidMarket treat Mr M unfairly or unreasonably in any other way, including whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974?

QuidMarket provided the information it relied when making its lending decisions, which included Mr M's application forms, copies of his credit reports and bank statements covering December 2022 to February 2023. QuidMarket said it verified applicants' income electronically or, failing that, via payslips.

### Loans 1 and 2 agreed in February and May 2019

When Mr M applied for his first two loans he said his income was £3,500 and £4,000 respectively. For his second loan, Mr M had supplied QuidMarket with a screenshot of his payslip dated 24 May 2019 which showed he was paid £4,284 net for that month. It seems he was paid around £3,500 in the previous month based on the year to date information on the payslip. I haven't seen evidence of QuidMarket's income check for Mr M's first loan in February, but I don't think it's unreasonable to assume what he'd said about his income was reflective of his circumstances, given his May payslip.

For Loan 1, QuidMarket recorded Mr M's monthly expenses as £1,782, including £931 for his credit commitments. This was based on information from Mr M and from his credit file. QuidMarket estimated that Mr M had £1,700 left each month to meet his repayments of £220 for his first loan.

QuidMarket provided copies of Mr M's credit file from February and May 2019 and I've reviewed these. When Mr M applied for his first loan in February he had £38,735 of existing debt. £32,642 of this was a hire purchase agreement with payments of £572, and £3,625 was a loan about six months old with repayments of £227. Mr M also had credit cards with balances totalling around £3,000.

By the time Mr M applied for his second loan just three months later in May, he owed £44,592. In the intervening time he'd taken out three loans and three credit cards. £30,352 was the hire purchase balance, and he owed £7,000 on his new loans and £4,000 on his credit cards. Also shown on this credit report were five loans Mr M had taken out in February, which weren't shown on his earlier credit report. These amounted to over £3,000 with payments of £800.

For Loan 2, QuidMarket noted that Mr M's expenses were now £3,116, including £2,216 for his credit commitments. QuidMarket estimated that Mr M had £900 left a month to meet his repayments of £241 for this second loan.

I consider that QuidMarket carried out proportionate checks for these two loans, given the amounts it was offering. It verified what Mr M had said about his income and reviewed his credit file to understand what his existing debts were how much he was paying towards these.

I think QuidMarket ought to have been concerned that its first loan was going to commit Mr M to spending around a third of his income on debt each month. However, given the amount it was offering, that it was his first loan, and that there was no adverse information on his credit file, I've concluded that QuidMarket didn't lend irresponsibly on this occasion.

However, I don't think QuidMarket treated Mr M fairly and with due consideration of his interests when it agreed a second loan for him in May 2019. QuidMarket knew at that point that Mr M was already committed to spending over half his income repaying his debts each month and, despite this outlay, his debts were increasing. It seems Mr M wasn't managing to make inroads into his debt and was overindebted. Despite the loan repayments seeming affordable, QuidMarket should have seen that the affordability risk arising out of the agreement was high given Mr M's existing level of debt (as per CONC 5.2A.25(G)).

Altogether, I've concluded that QuidMarket didn't make a fair and responsible lending decision on this occasion.

### Loans 3 and 4 agreed in June and October 2020

Loan 2 was reported to the credit reference agencies as being in an arrangement to pay before it was settled in November 2019. Mr M applied for his third the following June, and it doesn't seem to me that his circumstances had changed.

Mr M's credit file showed he had £37,001 of existing debt. £23,494 of this was his hire purchase agreement with payments of £572, he owed £9,600 in loans and around £4,000 on credit cards. He'd taken out four new loans since he'd last borrowed from QuidMarket and altogether held 21 active accounts, including 10 credit cards. Mr M had missed at least one payment on five separate accounts within the last six months.

While Mr M said his income was £5,500 in his application, his payslip showed an income of £3,239 for May (and about £3,800 for the previous month based on the year to date information).

I think QuidMarket's checks were reasonable and proportionate on this occasion. However, when making the decision about Loan 3, QuidMarket estimated that Mr M was spending over half his income (£1,622) meeting his debt repayments each month and although his overall debt level had decreased, this was due to his hire purchase balance reducing. It seems Mr M's other debts had increased since his last loan taken out over a year ago, he remained overindebted and there were indications that he was having difficulty meeting his existing commitments.

As before, I cannot consider that QuidMarket made a fair and responsible lending decision under these circumstances.

Mr M repaid his third loan within six weeks and applied for £1,000 in October 2020. His credit report now showed he had debts of over £72,000. This included a balance of £45,349 on a new hire purchase agreement taken out a few weeks earlier with repayments of £768. Mr M's existing hire purchase agreement was ongoing with repayments of £572 (and a balance of £21,204) and he was paying just over £500 on two other loans (with balances of less than £5,000).

Mr M said in his application that his monthly income was now £7,000 and his payslip gave his weekly income as £1,778. It does seem that Mr M's income had increased considerably, albeit quite recently. The year to date information suggests he'd been paid at this level for less than two months. Given how recently Mr M's income had increased, I think it would have been reasonable and proportionate of QuidMarket to check that his income would remain at this level at least for the duration of the loan agreement and I can't see that it did so.

That said, it does seem from the information QuidMarket gathered that Mr M could comfortably afford his loan repayments of £85 a week. There were no new adverse markers on his credit file, and it seems he'd cleared a large proportion of his unsecured debts. Without further information about Mr M's recently increased income, I can't say that QuidMarket was irresponsible to lend to him on this occasion.

### Loans 5 and 6 taken out in March and July 2023

Mr M repaid his fourth loan in February 2021 and didn't apply to QuidMarket for another loan until March 2023.

QuidMarket noted that Mr M's income was now £5,000 a month. It checked this against his bank statements, which it has provided and I've reviewed. These show that Mr M's average monthly income was around £6,000 for the three months prior to this application.

Mr M's credit file showed that his total debts stood at £49,406 and he had defaulted on two accounts. His hire purchase agreement taken out in September 2020 defaulted in March 2022. The balance was £16,894 and had been at this level for more than six months. Mr M had also defaulted on a telecoms bill in April 2022, and had just cleared the balance.

Mr M's remaining debt was made up of two hire purchase agreements with balances of £28,482, one of which had been taken out within the previous 12 months, and a short term loan with a balance of £1,273 that had been taken out the month before.

While I consider that the checks QuidMarket carried out on this occasion were reasonable and proportionate, the information it gathered showed that Mr M was having difficulty managing his finances. He'd defaulted on two significant debts within the last 12 months, and had just taken out a short term loan. I think QuidMarket should have seen that it was likely Mr M was reliant on credit, despite the loan repayments seeming affordable, and there was a risk that he would have difficulty meeting his repayments without it having an adverse impact on his financial situation.

Altogether, I cannot consider that QuidMarket made a fair and responsible lending decision under these circumstances.

It doesn't seem to me that Mr M's situation had improved by the time he applied for another loan in July 2023. His credit file from this time shows that he was having difficulty meeting one of his hire purchase agreements as it was reported as being in an arrangement to pay in April and May, and he'd missed a payment in June. He'd also missed at least one payment on four credit card accounts within the previous six months. As before, I don't think QuidMarket made a fair and responsible decision to lend to Mr M on this occasion.

#### In summary

I've found that QuidMarket wasn't irresponsible to have agreed Mr M's first or fourth loans, but it shouldn't have entered into the other four credit agreements. I think Mr M lost out either by paying interest on these loans or potentially having his credit file negatively impacted.

Loan	Date funded	Settled	Amount
1	13/02/2019	31/05/2019	£400
2	31/05/2019	29/11/2019	£750
3	22/06/2020	31/07/2020	£750
4	10/10/2020	12/02/2021	£1,000
5	12/03/2023	23/06/2023	£500
6	26/07/2023	02/02/2024	£1,200

I did also consider whether QuidMarket treated Mr M unfairly or unreasonably in any other way, including whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. And I'm satisfied the redress I have directed below results in fair compensation for Mr M in the circumstances of this complaint and that no additional award would be appropriate in this case.

## **Putting things right**

I've concluded that QuidMarket was irresponsible to have agreed Loans 2, 3, 5 and 6 (as set out in the above tables). I think it's fair that Mr M repays the capital he borrowed on these occasions as he's had the use of this, but he shouldn't have to pay any interest, fees or charges associated with these loans.

I understand Mr M has repaid all these loans. In order to put things right for him, QuidMarket should:

- Cap the amount Mr M should have repaid at the total capital he borrowed for these loans, and consider all payments he made as payments towards this capital amount; and
- Refund any overpayments to him, along with 8% simple interest per annum\* added to these payments from the date they were paid to the date this complaint is settled; and
- Remove any adverse information about these loans from Mr M's credit file.

\* HM Revenue & Customs requires QuidMarket to take off tax from this interest. QuidMarket must give Mr M a certificate showing how much tax it's taken off if he asks for one.

## **My final decision**

For the reasons I've set out above, I am partly upholding Mr M's complaint about Stagemount Limited trading as Quid Market and it now needs to put things right as I've said.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 May 2025.

Michelle Boundy  
**Ombudsman**