

The complaint

Mr S complains Propel Holdings (UK) Limited trading as Quid Market irresponsibly lent to him.

What happened

Mr S took seven loans with Quid Market as follows:

Loan No.	Loan Amount	Agreement date	Settlement date	Term (months)	Monthly repayment
1	£400	11/01/2021	25/03/2021	3	£181.11
2	£800	25/03/2021	23/07/2021	3	£408.10
3	£1,100	23/07/2021	25/11/2021	3	£566.89
4	£750	07/03/2022	25/03/2022	3	£348.11
5	£1,200	25/03/2022	13/04/2022	3	£609.56
Break in lending (9 months)					
6	£1,000	02/02/2023	16/02/2023	6	£313.02
7	£500	18/02/2023	25/02/2023	5	£186.10

In December 2024, Mr S complained to Quid Market about its decision to lend.

In February 2025, Quid Market issued its final response in which it upheld the complaint in part. In doing so, Quid Market said that it had carried out sufficient checks prior to agreeing to lend Loans 1-4 and 6-7 and, having done so, it was satisfied the lending was affordable for Mr S.

However, with regards to Loan 5, Quid Market accepted that it ought to have requested further evidence from Mr S to support the application, but it failed to do so. It therefore upheld Mr S's complaint about Loan 5 and offered to refund all interest paid on this loan, along with statutory 8% simple interest. It also offered to remove Loan 5 from Mr S's credit file.

Unhappy with this, Mr S referred his complaint to our service.

One of our investigators reviewed Mr S's complaint. The investigator issued their opinion in April 2025 in which they upheld the complaint in part. In doing so, the investigator said that – with regards to Loans 1, 6 and 7 - Quid Market completed reasonable and proportionate checks prior to agreeing to lend and the information it gathered as a result of those checks wouldn't have given it cause to refuse to lend.

However, the investigator said that the information Quid Market gathered prior to approving Loan 2 ought to have alerted it to Mr S's financial difficulties such that he would have difficulty sustainably repaying this loan. And, as Loans 3,4 and 5 were part of a continued pattern of borrowing, the investigator recommended the complaint about Loans 2-5 is upheld.

Quid Market did not agree with the investigator's findings insofar as it relates to Loans 2-4.

As an agreement couldn't be reached, the complaint has been passed to me to review afresh.

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've reached the same conclusion as our investigator and for the same reasons. I'll explain why I think this is a fair outcome in the circumstances.

The Financial Ombudsman Service has set out its general approach to complaints about irresponsible and unaffordable lending on its website.

Mr S was provided with high-interest loans, intended for short-term use. So Quid Market needed to make sure that it didn't provide these loans irresponsibly. In practice this means that it should have carried out proportionate checks to make sure Mr S could repay the loan repayments when they fell due and without the need to borrow further.

These checks weren't prescriptive, but could take into account a number of different things such as how much was being lent, the repayment amounts and the consumer's income and expenditure.

So, in keeping with the information on the Financial Ombudsman Service's website, I think there are a number of overarching questions I need to consider when deciding a fair and reasonable outcome given the circumstances of this complaint:

1. Did Quid Market carry out reasonable and proportionate checks to satisfy itself that Mr S was likely to have been able to repay the borrowing in a sustainable way?
 - i. If Quid Market carried out such checks, did it lend to Mr S responsibly using the information it had?

Or
 - ii. If Quid Market didn't carry out such checks, would appropriate checks have demonstrated that Mr S was unlikely to have been able to repay the borrowing in a sustainable way?
2. If relevant, did Mr S lose out as a result of Quid Market's decision to lend to him?
3. Did Quid Market act unfairly or unreasonably in some other way?

There are many factors that could be relevant when determining how detailed proportionate checks should have been. And while much will depend on the circumstances in question, the more obvious factors include – though aren't necessarily limited to:

- The type of credit Mr S was applying for along with the size, length and cost of the borrowing; and
- Mr S's financial circumstances – which included his financial history and outlook along with his situation as it was, including signs of vulnerability and/or financial difficulty.

And generally speaking, I think reasonable and proportionate checks ought to have been more thorough:

- The lower an applicant's income because it could be more difficult to make the repayments as a result;
- The higher the amount repayable because it could be more difficult to meet a higher repayment, especially from a lower level of income; and
- The longer the loan term, because the total cost of the credit was likely to have been greater given the longer time over which repayments have to be made.

As a result, the circumstances in which it was reasonable to conclude that a less detailed affordability assessment was proportionate strike me as being more likely to be limited to applicants whose financial situation was stable and whose borrowing was relatively insignificant and short-lived – especially in the early stages of a lending relationship.

I've carefully considered all of the arguments, evidence and information provided in this context and what this all means for Mr S's complaint.

Loan 1

The investigator didn't uphold the complaint about Loan 1 and neither Mr S nor Quid Market disagreed with the investigator's opinion in this regard. It therefore seems this loan is no longer in dispute, so I won't be commenting on it in detail.

But for completeness, I've reviewed all the information Quid Market gathered including details of Mr S's income (which it verified through a payslip), expenditure and the output from its credit search.

I consider these checks to be reasonable and proportionate in the circumstances. And, like the investigator, I don't think the results of these proportionate checks ought to have given Quid Market cause to carry out further checks or otherwise refuse to lend.

So I think Quid Market made a fair lending decision when it granted this loan.

Loans 2-3

Loan 2 was the first loan the investigator said should be upheld. Quid Market did not agree with this opinion. So I've taken a look at what happened here in more detail.

Did Quid Market carry out reasonable and proportionate checks?

Quid Market has told us that, prior to agreeing to lend, it asked Mr S to provide information about (amongst other things) his residential status, income, housing costs and existing financial commitments.

Mr S declared he was living with parents with a net monthly income of £2,300. It is my understanding that Quid Market carried out electronic checks to verify Mr S's income and, having done so, it made a slight upward adjustment to the figure Mr S had declared. It calculated Mr S earned £2,600 per month.

Mr S also declared he was spending £750 on his existing credit commitments, and £280 towards 'food and travel'.

Quid Market also carried out a credit check which provided it with information about Mr S's credit history and what he was paying to service his existing credit commitments. As a result, it was satisfied the figure Mr S had declared was accurate. It is worth saying here that although Quid Market carried out a credit search there wasn't a regulatory requirement to do one, let alone one to a specific standard. But what Quid Market couldn't do is carry out a credit search and then not react to the information it received – if necessary.

Deducting this expenditure from Mr S's income, it looked like he had £1,550 left over each month to meet his other commitments and general living costs. Once the monthly repayment for the lending in question (£408.10) is also deducted from this figure, it looked like Mr S was left with £1,141.90 each month.

On the face of it, it is difficult to reconcile such a significant amount of monthly disposable income – and a loan application for only £800 – especially when it came at a high cost. However, I acknowledge that people make all sorts of decisions for all sorts of reasons. And it isn't for me to impose my own view on the merits of applying for a loan like the one in question only to then conclude that Quid Market should have carried out more detailed checks – or otherwise refused to lend - on that basis alone.

It wasn't a particularly large loan, and it was repayable over a reasonably short period of time. Therefore, looking at things in the round, I think Quid Market proceeded with a proportionate amount of information.

However, once Quid Market had the information it thought it needed, it then had to evaluate it because it still had to reasonably assess whether Mr S could afford to meet the loan repayments in a sustainable way over the term of the loan.

Did Quid Market lend to Mr S responsibly using the information it had?

As I've said, the information Quid Market gathered suggested Mr S was left with £1,141.90 each month. So, Quid Market was satisfied that the repayments for this loan should've been affordable for Mr S on a simple pounds and pence basis and this was, in my view, a reasonable conclusion in the circumstances.

I've turned to look at the results from the credit check Quid Market carried out.

The results suggested there was no indication of any defaults, insolvencies or any other public records – such as County Court Judgments – about which Quid Market had been informed.

However, the results of this credit search did, in my view, reveal signs Mr S may have been reliant on credit and having problems managing his money.

The results showed Mr S had 15 active accounts with a total unsecured indebtedness of £16,102. The bulk (£13,715) of this unsecured indebtedness was made up of revolving credit facilities of which he was utilising the vast majority (98%) of the available credit.

He had opened seven accounts in the six months prior to the lending in question - which given the amount advanced and the repayment amounts each month appear to be short-term loans. This included two short-term loans in the period between Loan 1 and Loan 2. Therefore, in the month prior to granting Loan 2, Mr S had taken out three short-term loans (including Loan 1).

While Mr S opening seven accounts in the last six months may not be overly excessive, I think the number of active payday loans – in addition to six credit cards all of which were very near or at their limit - should have put Quid Market on notice that Mr S was having trouble managing his money and was reliant on credit to get by and, therefore, the loan wasn't likely to be sustainable for him.

I think this is particularly the case because I note Mr S was overlimit on one of the credit cards and had been overlimit on another credit card two months prior. I also note that an arrears marker was applied two months prior to the lending in question on one of the credit cards.

In addition, I note that Mr S was in active arrears and had been for the previous two months (and four of the last five months) on an 'Operating Lease' account – the monthly payment for which was significantly less than the amount Mr S was expected to repay each month for Loan 2.

I think all of this shows Mr S was having trouble managing his existing credit commitments. And this, in conjunction with his recent overreliance on payday lending, high-level of unsecured indebtedness and high credit card utilisation – is, in my view, indicative of someone who was in an unsustainable financial position.

With all of that being the case, I don't think Loan 2 was sustainably affordable for Mr S and, therefore, Quid Market should not have agreed to lend.

As I've upheld Mr S's complaint about Loan 2, it therefore follows that his complaint about Loan 3 ought to be upheld as well.

I say this because Loan 3 was a continuation in the same chain of borrowing and there doesn't appear to have been any significant change in Mr S's situation.

What's more, in approving Loan 3, it had the effect of unfairly prolonging Mr S's indebtedness by allowing him to take expensive credit intended for short-term use over an extended period of time.

Therefore, I don't think Quid Market should have agreed to lend Loan 3.

Loan 4

The investigator upheld Mr S's complaint about Loan 4 because it represented a continuation in the chain of borrowing from Loans 2 and 3.

I note that Loan 4 was taken out around three and half months after Mr S had repaid Loan 3. It is debateable whether this represents a continuation in the chain of borrowing or whether it represents a new, separate line of borrowing (although I lean towards the former). But, in any event, I need not consider this further because I don't think it makes a difference to my overall conclusion about this lending decision.

Prior to agreeing this loan, Quid Market carried out much the same checks it did for the prior loans. This included asking Mr S to provide details of his income and expenditure, verifying the former via a payslip, as well as carrying out a credit search. Having done so, this loan appeared affordable on a simple pounds and pence basis.

However, a review of Mr S's credit report reveals that his situation had not changed too significantly from Loan 3. His overall indebtedness had decreased slightly to £14,563 spread

across 12 active accounts. I also note that his revolving credit utilisation had also reduced slightly to 93%, however I can see Mr S was overlimit on one of his credit cards

But, perhaps more importantly, I can see Mr S fell into arrears on Loan 3. I understand this was because of a *short-term financial issue following an unexpected car bill* as a result of which Quid Market agreed a repayment plan. But I don't think it was reasonable for Quid Market to then approve Loan 4 (notwithstanding it was for a slightly lower amount and monthly repayment) a relatively short time later. I think Mr S's struggles repaying Loan 3 ought to have put Quid Market on notice that Mr S's financial situation was not stable such that further borrowing so soon after was unlikely to be sustainable and affordable for him.

So, I don't think Quid Market made a fair lending decision when it granted Loan 4.

Loan 5

Quid Market in its final response letter upheld the complaint about this loan. The offer it made is in-line with what our service would have asked Quid Market to do if I had decided to uphold Mr S's complaint about this loan. For completeness, I agree with the conclusion Quid Market reached and, therefore, I see no reason to depart from its findings.

I've outlined in the redress section below what it has agreed to do in order to put things right for Mr S.

Loans 6-7

As with Loan 1, the investigator didn't uphold the complaint about these loans and neither Mr S nor Quid Market disagreed with the findings that they made. It therefore seems these loans are no longer in dispute, so I won't be reviewing these in detail.

There was a gap of over nine months between Mr S repaying Loan 5 and applying for Loan 6. I think that gap is a sufficient amount of time for Quid Market to have reasonably determined that Mr S may have overcome whatever his financial circumstances were that caused him to take the earlier lending. Therefore, I consider it fair and reasonable of Quid Market to have approached Mr S's application as if he was a new customer.

I've reviewed all the information Quid Market gathered including details of Mr S's income and expenditure and carried out a credit search. I consider these checks to be reasonable and proportionate in the circumstances.

And, like our investigator, I don't think the results of these proportionate checks ought to have given Quid Market cause to carry out further checks or otherwise refuse to lend.

So, I think Quid Market made a fair lending decision when it granted these loans.

Did Quid Market act unfairly or unreasonably in some other way?

Finally, I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed below results in fair compensation for Mr S in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

I think that Mr S has lost out because Quid Market gave him Loans 2-5 when it shouldn't have.

If Quid Market has sold any outstanding debts then Quid Market should buy these back if it is able to do so and then take the following steps. If Quid Market isn't able to buy back the debts, then Quid Market should liaise with the new debt owner to achieve the results outlined below.

- A. Quid Market should add together the total of the repayments made by Mr S towards interest, fees and charges towards Loans 2-5;
- B. It should then calculate 8% simple interest* on the individual payments made by Mr S which were considered as part of "A", calculated from the date Mr S originally made the payments, to the date the complaint is settled.
- C. Quid Market should pay Mr S the total of "A" plus "B".
- D. Quid Market should remove any *adverse* information it has recorded on Mr S's credit file in relation to Loans 2-4.
- E. As it has already agreed to do Quid Market will delete loan five from Mr S's credit file, if it hasn't already done so.

*HM Revenue & Customs requires Quid Market to deduct tax from this interest. Quid Market should give Mr S a certificate showing how much tax it has deducted if he asks for one.

My final decision

For the reasons I've outlined above, I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 November 2025.

Ross Phillips
Ombudsman