

The complaint

Ms J complains that PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket was irresponsible in its lending to her. She wants to be put back in the position she would have been had the loan not been provided.

What happened

Ms J has complained about the loan provided by Quidmarket in December 2024. The loan was for £300 and had a term of six months with monthly repayments of around £99.

Ms J said that when the loan was provided she was in extreme financial difficulty and had taken out several payday loans. She said she also had three credit card accounts all at their limits. Ms J doesn't think that Quidmarket carried out adequate checks before the loan was given and that had it done so it would have realised her financial circumstances. She said the loan was unsustainable and has caused her stress and worry and made her financial situation worse.

Quidmarket issued a final response to Ms J's complaint dated 4 February 2025. It said that Ms J's loan application underwent credit worthiness and affordability checks with her declared income being verified. It said that based on its checks the loan was affordable for Ms J.

Ms J referred her complaint to this service.

Our investigator noted the size of the loan and thought the checks Quidmarket undertook were proportionate. They then considered whether, based on the checks, it was reasonable that the loan was provided. Our investigator noted Ms J's net monthly income was confirmed as £2,400 and her total monthly expenditure as £2,025. The credit checks showed two late payments in the previous 12 months, but that Ms J was up to date on her accounts. While Ms J had noted previous short-term loans these were repaid with no negative information recorded. Based on the information received, our investigator didn't think that further checks were needed and as the checks suggested the loan to be affordable, they didn't uphold this complaint.

Ms J didn't accept our investigator's view. She reiterated the number of payday loans she had taken out in the previous 12 months, and said while these weren't all shown on her credit report she could provide evidence of these. Ms J said that her expenses weren't verified and questioned why she would take out a high interest loan for £300 if her monthly disposable income was £375.

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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Ms J was provided with a £300 loan with a six-month term. The monthly loan repayments were around £99. I note Ms J's comment about the size of the loan including the interest and I have taken this into account. Before the loan was provided, Quidmarket gathered information about Ms J's income and expenses, and a credit check was carried out. Ms J declared a monthly net income of £2,400 and this was verified. She was then asked about her expenses and based on these and the information from her credit file, a monthly disposable income of £375 was calculated. The credit check showed she had £2,509 of outstanding debt made up of loans and credit card debt. The credit report showed no defaults or county court judgements and while there was a missed payment recorded, Ms J's accounts were up to date at the time of her application.

Given the size of the loan and the monthly repayments compared to Ms J's income and noting that her credit report suggested she was managing her existing commitments, I think the checks carried out before the loan was provided were proportionate. So, while I appreciate Ms J's comment about the expenses information, I do not think in this case, Quidmarket was required to verify this.

Just because I think the checks were proportionate, it doesn't necessarily mean I think the loan should have been provided. To assess this, I have considered the information received through checks to see whether this raises concerns that meant further questions should have been asked or the lending not given.

Ms J's credit report showed that she had total debts of £2,509 consisting of credit card debt and loans. Considering this amount compared to her income, I do not think this suggested she was over indebted. I note Ms J's comment about her having three credit cards all at their limits. While the report showed her having three credit cards, these were being operated within the limits and her utilisation at the time of the credit search was 74% which I wouldn't expect to raise concerns.

I note Ms J's comment about having taken out several short-term loans in the previous 12 months. Her credit report showed she had two outstanding loans at the time of the search (totalling £1,236) and had several other settled loans. While I can see that she had made use of other short term loans, aside from the two loans noted above, they were all settled by October 2024 and no negative information was recorded. Given this, I do not find that the presence of the other loans was enough to say that this loan shouldn't have been provided.

Quidmarket's calculations showed Ms J had monthly disposable income of £375. This suggested that the repayments due under the loan would be affordable. Ms J has questioned why she would have applied for this £300 loan if her disposable income was as Quidmarket had calculated. I understand the point being made. But the purpose of the Quidmarket loan was recorded as home improvement/repairs. It isn't unreasonable that Quidmarket would accept that Ms J may apply for a short term loan to provide additional funds for household costs even though she had a monthly disposable income.

Taking everything into account, I do not find the results of the checks were such that Quidmarket shouldn't have provided the loan. So, for the reasons I have set out, I do not uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 27 August 2025.

Jane Archer
Ombudsman