

The complaint

Mr M complains that PROPEL HOLDINGS (UK) LIMITED, trading as Quidmarket, irresponsibly lent to him.

What happened

Mr M held five loans with Quidmarket between June 2022 and September 2024. In January 2025, he complained about them; he said, in summary, that the credit had been provided irresponsibly.

Quidmarket didn't uphold all of Mr M's complaint – it said it was largely satisfied appropriate checks had been undertaken, and the credit provided fairly – but it did accept that one loan, Mr M's fifth loan, shouldn't have been offered. Mr M didn't accept that view, and he subsequently brought his complaint to this Service.

An Investigator here looked at what had happened in respect of loans one to four. Having done so, they thought Quidmarket had fairly and responsibly provided Mr M his first three loans, but they didn't think the fourth loan should've been provided. They found, at the time of the fourth loan, that Mr M was displaying signs of a reliance on credit; his borrowing had increased substantially, and that a significant number of other indicators of an increasingly unsustainable position could be found on his credit file. So, Quidmarket shouldn't have provided the fourth loan.

Quidmarket didn't agree. It set out that the increase in Mr M's external debt – at the time of loan four – was because of a hire-purchase agreement, and there were no other indicators of financial distress. So, it requested Mr M's complaint be reviewed by an Ombudsman.

As no agreement has been reached, Mr M's complaint has now been passed to me.

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.

At the outset, I'll explain that I've deliberately focussed on the crux of what remains in dispute here. That being, the provision of Mr M's fourth loan. I haven't gone into detail on loans one to three, or loan five; that's largely because, from what I've seen, Mr M didn't dispute our Investigator's findings for loans one to three, and Quidmarket has already upheld

loan five. All I'll say here, for completeness, is that I agree loans one to three were provided fairly in the circumstances; I also think Quidmarket's decision to uphold loan five is a reasonable one.

With loan four, I agree with the conclusions reached by our Investigator for largely the same reasons; I don't think Quidmarket should've provided it. Loan four was by some margin the largest loan – over the longest term – that Quidmarket provided Mr M. It consequently attracted the highest repayment. So, I think Quidmarket needed to take the necessary steps to be confident it was affordable and sustainable for Mr M. Quidmarket obtained details from Credit Reference Agencies ("CRAs"); it carried out an income and expenditure assessment too, and it verified Mr M's income. Overall, I think proportionate checks were carried out here.

That doesn't, though, mean it inevitably follows that Quidmarket made a reasonable lending decision. What's important here is how it used the information obtained as a result of its checks, and I think the data returned at the point of loan four suggested that further lending likely wouldn't be appropriate at that time.

To explain, I say that because Mr M's external debt had increased considerably. CRA data demonstrated 10 accounts opened within the last six months: there were several deferred payment credit entries, advance-against-income entries too, repeat short-term borrowing ongoing at the same time, and an increase in his revolving credit balance – with Mr M using around 90% of his available revolving credit. With all of that in mind, I think Quidmarket ought to have considered whether it was appropriate and/or sustainable for Mr M to continue to borrow in such a way.

Quidmarket argues that Mr M's debt increased predominantly because of a hire-purchase agreement, and that it wouldn't be fair to penalise him for taking out such credit. On face value, I'd agree that no customer should be penalised for accessing other credit – hire-purchase or otherwise – but that doesn't mean such agreements can simply be discounted. It was still a debt Mr M had taken on and was required to service.

Alongside it, the other factors I've listed above do – in my view, at least – indicate a concerning trend was growing. Multiple deferred payment credit entries, advances against income and repeat short-term borrowing elsewhere all suggest signs of a developing reliance on credit for Mr M.

Broadly speaking then, the repayments may well have appeared affordable for Mr M at the time – but it's the overall picture of his financial situation which, I think, ought to have caused Quidmarket to have realised his position likely wasn't sustainable. An individual regularly using payday loans, advances against their income, and deferred payment credit indicates a consistent need for several variations of lending. Loan four only added to that position and, with everything I've set out in mind, I don't consider that it was the right decision to lend to Mr M at the time.

Putting things right

Quidmarket should add up the total repayments Mr M made towards loan four (and loan five, as it's already agreed to do) and deduct these from the total amount of money lent. Then:

- if this results in Mr M having paid more than he borrowed, any overpayments should be refunded along with 8% simple interest* (calculated from the date the overpayments were made until the date of settlement). Quidmarket should also remove all adverse information regarding these loans, if indeed any exists, from

Mr M's credit file.

- if any capital balance remains outstanding, then Quidmarket should arrange an affordable and suitable payment plan with Mr M. Once Mr M has cleared the balances, any adverse information in relation to these accounts should be removed from his credit file.

Finally, if Quidmarket has sold any of the debts upheld to a third party, they should arrange to either buy back the debts from the third party or liaise with them to ensure the redress set out above is carried out promptly.

*HM Revenue & Customs requires you to deduct tax from this interest. You should give Mr M a certificate showing how much tax you've deducted, if they ask for one.

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

My final decision

My final decision is that I uphold Mr M's complaint. PROPEL HOLDINGS (UK) LIMITED, trading as Quidmarket, should now put things right as I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 April 2026.

Simon Louth
Ombudsman