

## **The complaint**

Miss B complains that PROPEL HOLDINGS (UK) LIMITED, trading as Quidmarket, lent to her when she could not afford it and was dealing with a gambling issue and other concerns.

## **What happened**

Miss B took a loan for £600 in February 2023 and the repayments were £199.99 each month for six months. Ms B repaid it early in May 2023.

After Miss B had complained in 2024 she received a final response letter from Quidmarket. She referred the complaint to us late but our investigator has issued an opinion about that. Quidmarket has not objected to that part. So, I have not reviewed it.

Our investigator considered the merits of Miss B's complaint and thought that Quidmarket did not need to do anything to put things right. Miss B disagreed and the unresolved complaint was passed to me to decide. I have read all of Miss B's submissions. I won't refer to it all here or go into all the issues that have been raised. This is partly to avoid providing too much detail about Miss B's circumstances, and partly as I don't need to refer to all of it to reach my decision. And if I don't comment on something, it's not because I haven't considered it, it's because I've concentrated on what I think are the key issues. Our powers allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

## **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 Miss B could afford to pay back the amount she'd borrowed without undue difficulty. It needed to do this in a way which was proportionate to the circumstances. Quidmarket's checks could have taken into account a number of different things, such as how much was being lent, the size of the repayments, and Miss 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 Miss B.

These factors include:

- 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);

- having a large number of loans and/or having these loans over a long period (reflecting the risk that repeated refinancing may signal that the borrowing had become, or was becoming, unsustainable);
- coming back for loans with Quidmarket shortly after previous borrowing with this lender had been repaid (also suggestive of the borrowing becoming unsustainable).

Miss B took one loan only and her income was at a good level. So, I do not consider these bullets apply to her situation.

Quidmarket was required to establish whether Miss B could sustainably repay the loan – not just whether she technically had enough money to make his repayments. Having enough money to make the repayments could of course be an indicator that Miss B was able to repay this loan sustainably. But it doesn't automatically follow that this is the case.

Quidmarket was told by Miss B she earned £3,600 each month after tax and it verified this. Miss B has not told us that figure is wrong. And verification through use of a credit reference agency is a widely used tool, and I consider it reasonable to verify income using this.

Quidmarket did a credit search and increased the figure Miss B had given to it being her monthly repayment costs to her existing credit accounts. The figure was increased from £750 a month to £1,487 a month following the research.

Miss B had told Quidmarket that she was living at home with her parents and paid around £75 a month in utilities or costs to the household. Quidmarket added in a figure for food and travel costs of £350. That led to it calculating Miss B had around £1,688 a month left over to cover any other additional costs. And so, it considered the loan repayable at just under £200 a month for a short time was affordable.

Quidmarket would have been aware that Miss B was at her parents' home and therefore not likely paying full market rent plus all bills. And further, I do not consider that Miss B would have been exposed to the risk of non-payment of priority bills and/or rent arrears likely to lead to problems with her money such that the repayments to the loan were at risk. I have taken this element into account when considering Miss B's complaint and the submissions made.

I have received a copy of the credit search Quidmarket carried out on Miss B's credit history. It does look like she'd applied for loans relatively recently but closer inspection shows me that some of the loans likely were to pay off an overdraft and/or credit card debt which often can be seen as positive debt management. Plus, some of the loans were with banks which indicates mainstream lending. There was some indication of late repayments on a couple of accounts from around 8 to 9 months before the application to Quidmarket. But it is a lender which is used to lending to individuals with some adverse data. And so, I do not consider that it would have been overly concerned. There were no indicators of serious financial mismanagement such as insolvencies or judgment debts.

Miss B has said that Quidmarket ought to have known how she was in herself and how she was using her money: that she was gambling and that she was stinting herself in relation to paying other bills in order to repay loans early. These have caused her distress and have affected her health. She has described some elements of her financial history as red flags and that Quidmarket ought to have been aware of them. But that is not the case. Quidmarket had no need to review any further details about Miss B's financial situation as it had carried out proportionate checks. So, unless Miss B had told it of her gambling or her other health issues it would not have been aware.

As this was a short loan and was repaid early there are no account management notes to indicate Miss B was in trouble or finding it hard to repay. And there's no evidence from Miss B that she informed Quidmarket of any of her elements surrounding her financial affairs of which she says it ought to have been aware.

I am familiar with those parts of the lending regulations surrounding Mental Capacity Guidance (FCA CONC Chapter 2:10). The starting point is that *'A firm should assume a customer has mental capacity at the time the decision has to be made, unless the firm knows, or is told by a person it reasonably believes should know, or reasonably suspects, that the customer lacks capacity.'* and

*'Where a firm understands or reasonably suspects a customer has a condition of a type in [paragraph cited], this does not necessarily mean that the customer does not have the mental capacity to make an informed borrowing decision.'*

Paragraphs in that section in CONC list the sort of indicators which if a firm observes them then it would *'likely to have reasonable grounds to suspect a customer may have some form of mental capacity limitation'*. However, having reviewed all I have, there's no evidence here that Quidmarket had any reasonable grounds to suspect Miss B may have had some form of mental capacity limitation as she has described.

As I do not uphold the complaint than I have no reason to direct that any alterations are made to Miss B's credit file.

Quidmarket carried out proportionate checks. I've also considered whether it acted unfairly or unreasonably in any other way and I have considered whether the relationship might have been unfair under section 140A of the Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think it lent irresponsibly to Miss B or otherwise treated her 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.

I do not uphold the complaint.

### **My final decision**

I do not uphold the complaint. I realise Miss B will be disappointed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 12 December 2025.

Rachael Williams  
**Ombudsman**