DRN-5872327

Complaint

Miss A has complained about high-cost short-term credit ("HCSTC") instalment loans she took out with Propel Holdings (UK) Limited (trading as "Quid Market").

She says that Quid Market should not have provided her with these loans as they were unaffordable.

Background

This complaint centres on the provision of seven high-cost short-term credit instalment loans that Quid Market provided to Miss A. Miss A's lending history is as follows:

Loan	Amount	Taken	Settled	Term*	Payment
1	£400	March 2021	May 2021	6	£133.32
2	£400	June 2021	October 2021	4	£146.85
3	£750	December 2021	April 2022	5	£284.96
4	£400	April 2022	July 2022	5	£136.12
5	£450	November 2022	February 2023	5	£160.19
6	£1,500.00	April 2023	April 2023	12	£238.86
7	£500	September 2023	November 2023	6	£155.55

When it considered Miss A's complaint, Quid Market accepted that it shouldn't have provided loans 6 and 7 to her. So it agreed to refund the interest that she paid on these loans and removed all reference to them from her credit file. Miss A remained dissatisfied at Quid Market's response and referred her complaint to our service.

One of our investigators reviewed what Miss A and Quid Market had told us. And she thought that Quid Market ought to have realised that it shouldn't have provided any of these loans to Miss A. So the investigator recommended that Miss A's complaint be upheld.

Quid Market disagreed and asked for an ombudsman to look at the complaint.

My provisional decision of 22 September 2025

I issued a provisional decision – on 22 September 2025 - setting out why I wasn't intending to uphold Miss A's complaint.

In summary, I was satisfied that proportionate checks won't have shown that loans 1-5 were unaffordable for Miss A. Therefore, I was satisfied that what Quid Market had already agreed to do to put things right for Miss A was fair and reasonable in all the circumstances of the complaint.

Quid Market's response to my provisional decision

Quid Market didn't respond to my provisional decision or provide anything further for me to consider.

Miss A's response to my provisional decision

Miss A responded to say that she disagreed with my provisional decision. In summary, she said this was because:

- Proportionate checks would have shown that she was permanently stuck in her overdraft.
- Her credit report showed numerous other loans and other missed payments.
- She was borrowing from friends and family and gambling.
- The gap in her borrowing was because she had applications that were declined.
- These loans worsened her situation.

While I've summarised Miss A's submissions to my provisional decision, I wish to confirm that I've considered everything that she's said and provided in full.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've explained how we handle complaints about short term lending on our website. And I've used this approach to help me decide Miss A's complaint.

Having carefully thought about everything I've been provided with, including responses to my provisional decision, I think that what Quid Market has already done to put things right for Miss A is fair and reasonable in all the circumstances and I'm still not upholding this complaint. I'd like to explain why in a little more detail.

Miss A was provided with high-interest loans, intended for short-term use. So Quid Market needed to make sure that it didn't provide them irresponsibly. In practice, what this means is that Quid Market needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Miss A before providing it.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we'd expect a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

Quid Market says it agreed to Miss A's applications after she'd provided details of her monthly income, which was verified with copies of payslips, her expenditure and it carried out credit checks on her.

It says the information Miss A provided on her income and expenditure showed that she'd be able to comfortably make the repayments she was committing to on the first five loans. And in these circumstances, it was reasonable to lend. On the other hand, Miss A says that these loans were unaffordable for her and her applications for them shouldn't have been accepted.

I've carefully thought about what Miss A and Quid Market have said. The information provided does suggest that Miss A was asked to provide details of her income and expenditure. Quid Market didn't just accept Miss A's declarations at face value, it carried out credit searches. I can also see that Quid Market took steps to verify Miss A's declared income by obtaining copies of payslips.

I note that our investigator was of the view that Quid Market shouldn't have lent to Miss A as she had taken out other HCSTC. However, I'm not persuaded that the number of loans in themselves represented an unsustainable cycle – such that any income and expenditure assessment was irrelevant at this stage – in the way that the investigator has concluded. I don't think that Quid Market ought to have been aware that Miss A was incontrovertibly in an unsustainable cycle of lending at this stage of its lending relationship with Miss A.

Furthermore, I think that Quid Market did account of Miss A's circumstances by verifying her income and not simply relying on what she said about her expenditure. Equally, when Miss A's expenditure was deducted from her verified income, it's clear that she was left with amounts that were sufficient for her to be able to make the monthly repayments for the first five loans.

Bearing in mind the amount of the monthly repayment, the questions Quid Market asked Miss A, it taking account of what the credit checks showed and these being Miss A's first loans with it, I don't think it was unreasonable for Quid Market to rely on the information that Miss A had provided.

I accept that Miss A's actual circumstances may not have been reflected either in the information she provided, or the other information Quid Market obtained. And in her response to my provisional decision Miss A has referred to her actual position. However, while I accept that Miss A's actual position might have been worse than what Quid Market realised, I don't think that it is necessarily reflective of what proportionate checks will have shown. I say this for a number of reasons.

In the first instance, Miss A is relying on a copy of her full credit report when making her arguments. However, lenders do not obtain a copy of a customer's full credit report when determining whether to lend to a customer.

Typically, a lender will obtain a snapshot of what the customer owed, whether there was any significant adverse information – such as defaulted accounts or county court judgments - recorded against them and whether the customer is up to date with their payments on any active accounts at the time of the application.

While Miss A may have had some previous adverse information, it's fair to say that this is expected in the sector of the market that Quid Market operates in. And there wasn't anything in the credit search information that Quid Market had which indicates Miss A shouldn't have been lent to in any circumstances, in the way that she now argues.

Secondly, Miss A is also referring to having borrowed from friends and family. However, any loans taken from friends and family won't have shown on any credit checks carried out. It's also worth noting that Miss A has referred to repaying student loans and borrowing from buy now pay later type providers.

However, it’s fair to say that these types of lenders haven’t always reported all loans to all credit reference agencies either. In these circumstances, I don’t see how Quid Market could reasonably be expected to know about this borrowing. This is especially as Miss A didn’t include any provision for repaying such amounts in her declaration of expenditure either.

Miss A has also said that she was permanently stuck in her overdraft. However, there isn’t a prohibition on lending to an individual using an overdraft. Indeed, an arranged overdraft is a revolving credit facility which a customer is entitled to use. So I wouldn’t expect a lender to decline a customer’s application solely on the basis that they were using their overdraft. If Miss A is unhappy at the way that she was allowed to use her overdraft, this is a matter that she will need to take up with her bank rather than Quid Market.

Finally, I’ve noted that Miss A has also referred to her gambling but this isn’t something that Quid Market knew about at the time of the lending. Indeed, without obtaining copies of bank statements, which Quid Market, wasn’t required to request, I can’t see how it could have found out about this without Miss A disclosing this information.

Miss A didn’t disclose any gambling at the time of her application. As this is the case and at this stage of the lending relationship, I don’t think proportionate checks would’ve extended into Quid Market asking Miss A to provide evidence such as bank statements to verify what she had declared, it’s difficult for me to say that Quid Market ought to have factored in Miss A’s gambling in any decision on providing these first five loans to her.

Equally it's only really fair for me to uphold a complaint where I can safely say a lender did something wrong. And, for loans 1 to 5, I don’t think that Quid Market did anything wrong in deciding to lend to Miss A - it carried out reasonable checks even though Miss A now says that the information it had – a proportion of which was provided by Miss A - was inaccurate.

Quid Market reasonably relied on the information provided with and given the amount of the repayments involved and the overall circumstances of Miss A’s loan history, I don’t think it was unreasonable for Quid Market to provide loans 1 to 5 – especially as there wasn’t anything obvious, in the information it had, to suggest Miss A wouldn’t be able to sustainably repay these loans.

Did Quid Market lend to Miss A in circumstances where it ought reasonably to have realised that doing so was unsustainable or otherwise harmful for her?

In reaching my conclusions, I’ve also kept in mind that I’m considering a complaint about five loans that Quid Market provided to Miss A[1] and in some circumstances repeat borrowing in itself can sometimes be an indication of a customer borrowing in a way that is unsustainable. However, I think that there are a number of reasons why Miss A’s pattern of borrowing for loans 1 to 5 doesn’t in itself appear problematic here.

Firstly, while the provision of five loans can in itself be problematic, in this case there was a break of over three months between loan 4 being repaid and loan 5 being provided. Miss A says that she applied for loans elsewhere during breaks and that she made some late payments to Quid Market. However, this once again relies on a more granular analysis of Miss A’s full credit file, which as I’ve explained Quid Market didn’t have.

Furthermore, while there may have been a late payment on one of the first four loans, it’s also worth noting that Miss A settled three of these loans early. Miss A says that this was as a result of gambling winnings and then she needed to borrow further. However, Miss A was

[1] The complaint before me is a complaint about five loans as the complaint about loans 6 and 7 has already been upheld.

making payments that she wasn't contractually obliged to make. So Miss A wasn't borrowing further because of payments that she had to make. As Quid Market wasn't aware of Miss A's gambling either, it won't have known the reason why loans were being repaid early either.

Most importantly of all, I've noted that Miss A was due to be indebted to Quid Market for a total period of 18 months (13 months for loans 1 to 4 and then five months for loan 5) when she was provided with loan 5.

Bearing in mind it's not uncommon for individual loans to be provided over terms equivalent to the entire period Miss A was due to indebted to Quid Market for at the time she was given loan 5, I don't think that Miss A wasn't stringing together multiple loans over a period that was well in excess of a period a single loan would be provided for.

As this is the case, I'm not persuaded that, when loan 5 was provided, Quid Market ought to have realised that Miss A's pattern of borrowing here effectively saw her unsustainably using a series of its loans over a medium over long term period.

So while Miss A being a repeat borrower here has led to me taking a closer look at the overall pattern of lending, I'm satisfied that it wasn't unfair for Quid Market to have provided loans 1 to 5 to Miss A on the basis that it ought to have realised that it was increasing her indebtedness in a way that way unsustainable or otherwise harmful for her.

Section 140 of the Consumer Credit Act 1974

Finally, I've also considered whether the lending relationship between Quid Market and Miss A might have been unfair to Miss A under s140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I'm not persuaded that Quid Market irresponsibly lent or treated Miss A unfairly bearing in mind all of the circumstances. And I haven't seen anything to suggest that s140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

So overall and having considered everything, I'm satisfied that Quid Market acted fairly and reasonably when agreeing to provide loans 1 to 5 to Miss A.

Conclusions

Overall and having carefully considered everything, I'm satisfied that Quid Market's offer to put things right in relation to loans 6 and 7, is fair and reasonable in all the circumstances of Miss A's complaint and I'm not requiring it to do anything more or anything further. As this is the case, I'm not upholding Miss A's complaint.

I appreciate that this will be very disappointing for Miss A. This is especially as the investigator – albeit erroneously – suggested that the complaint should be upheld. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

For the reasons I've explained above and in my provisional decision of 22 September 2025, I'm satisfied that what Propel Holdings (UK) Limited has already agreed to do to put things right for Miss A is fair and reasonable in all the circumstances of the complaint. Therefore, I'm not upholding this complaint and leave it up to Miss A to decide whether she wishes to accept Quid Market's offer.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss A to accept or reject my decision before 6 November 2025.

Jeshen Narayanan
Ombudsman