

The complaint

Mrs M complains that PROPEL HOLDINGS (UK) LIMITED trading as Quid Market was irresponsible in its lending to her. She wants all interest and charges on the loans refunded along with 8% interest and compensation of £750 for the distress and anxiety the lending has caused.

Mrs M is represented by a third party but for ease of reference I have referred to Mrs M throughout this decision.

What happened

Mrs M was provided with five short term loans by Quid Market the details of which are set out below.

Loan	Date taken	Date repaid	Instalments	Amount	Highest repayment
1	25/10/2022	30/12/2022	3	£300	£130.44
2	13/01/2023	20/06/2023	6	£400	£119.18
3	22/06/2023	05/12/2023	6	£400	£125.85
4	05/12/2023	23/04/2024	5	£400	£140.87
5	24/04/2024		5	£400	£139.95

Mrs M said that at the time of the Quid Market loans she had a high level of unsecured debt, and the loans weren't affordable. She said adequate checks weren't carried out before the loans were provided.

Quid Market issued a final response to Mrs M's complaint dated 25 September 2024. It said that before lending it gathered information about Mrs M's personal and financial circumstances including her employment, income, housing and other costs. It said it verified Mrs M's declared income and ran a credit check. Quid Market said that Mrs M advised she wasn't in financial difficulty, behind with her priority bills, or considering entering an individual voluntary arrangement, bankruptcy or debt management plan. Quid Market said that its checks were reasonable and proportionate before loans one to four were provided and these found no issues with the loans. However, it said that further questions could have been asked before loan five was given noting that Mrs M had a pattern of applying for loans soon after repaying previous loans. Because of this Quid Market upheld Mrs M's complaint in regard to loan five.

Mrs M referred her complaint to this service.

Our investigator noted that Quid Market upheld Mrs M's complaint in regard to loan five and

found the redress offered for this was in line with what we would expect and so he didn't consider this loan further. Regarding loans one and two he didn't think that Quid Market was wrong to provide these. However, he thought further checks should have happened before loans three and four were given and had these happened, Quid Market would have likely identified that Mrs M was gambling and also had returned direct debits. He thought this showed Mrs M wasn't managing her finances and didn't think that these loans should have been given.

Quid Market didn't agree with our investigator's view. It said that its checks were proportionate, and it didn't require copies of Mrs M's bank statements and so wouldn't have been aware of the information they contained.

Our investigator responded to Quid Market's comments reiterating why he believed further checks were needed. As a resolution wasn't agreed, this complaint has been passed to me, an ombudsman, to issue a decision.

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.

Mrs M was provided with five loans. Following her complaint, Quid Market agreed to refund her the interest and charges from loan five along with statutory interest and to remove this loan from Mrs M's credit file. As this resolution is in line with the redress we would recommend for an upheld loan, I haven't considered loan five any further.

Our investigator didn't uphold this complaint about loans one and two. I have looked at the checks carried out before these loans were given and I agree that these were proportionate. I say this because these were the first two loans Quid Market lent to Mrs M, and they were for relatively small amounts. Before the loans were provided, Quid Market gathered information about Mrs M's income and expenses, and Mrs M's income was verified. Mrs M's monthly net income was identified as £2,500 for loan one and £2,300 for loan two and after amounts were included for her housing costs, utilities, food and travel, Mrs M was left with over £1,000 of disposable income. Credit checks were carried out and while these did record historic defaults, there were no defaults or delinquent accounts recorded in the previous 12 months. Therefore, noting the size of the loans compared to Mrs M's income, that loan one was repaid before loan two was given, and Mrs M had sufficient disposable income to meet the repayments, I find the checks were reasonable. As these suggested the loans to be affordable, I do not find I can say that Quid Market was wrong to provide these first two loans.

Our investigator upheld this complaint about loans three and four. He thought that additional checks were needed and had these happened, they would have shown the lending shouldn't have been given. Considering loan three, this was taken out a couple of days after loan two was repaid. Loan two had also been taken out a few days after loan one had been repaid. I

think this does raise concerns that a pattern was emerging that could suggest Mrs M was reliant on these short-term loans.

Mrs M's credit report showed that she had experienced previous financial difficulties (defaults recorded in 2017, 2019 and 2020) and while I accept that Quid Market will lend to customers with adverse data recorded, given Mrs M's credit history it needed to be looking out for signs that she might be entering financial difficulties again. Having looked at the credit check undertaken before the third loan was provided, this shows that Mrs M had a default recorded for a telecommunication contract in April 2023, around two months before this loan was given. I think this, along with the record that Mrs M was exceeding the limit on a credit card, should have raised concerns that Mrs M was struggling to manage her commitments.

Mrs M had a reasonable net monthly income, and her monthly disposable income was higher than the amount she was borrowing. While customers will borrow to meet short term unexpected needs, this situation suggests that the calculations weren't giving the full picture of what was happening with Mrs M's finances as based on the calculations she shouldn't need to keep taking out the additional loans. Given this, and for the reasons set out above regarding Mrs M's recent credit history, I agree with our investigator that further checks should have taken place to fully understand Mrs M's financial circumstances before loans three and four were provided.

As I think further checks should have been undertaken, I have looked at Mrs M's account statements for the months leading up to loans three and four being provided. These show that Mrs M had returned direct debits and was making frequent payments to gambling sites. Given this, I think that further checks would have raised concerns that lending to Mrs M might not be sustainably affordable or responsible.

Therefore, for the reasons set out above, I am upholding this complaint in regard to loans three and four.

I note that Mrs M asked to be paid compensation as well as have her interest and charges refunded. However, in this case, I think the redress noted below is fair. I say this because Mrs M had the use of the funds Quid Market provided but now, as I think loans three and four weren't lent responsibly, she will only need to repay the amount borrowed.

I've also considered whether Quid Market acted unfairly or unreasonably in some other way given what Mrs M has complained about, including whether its relationship with Mrs M might have been unfair under s.140A Consumer Credit Act 1974. However, I'm satisfied the redress I have directed below results in fair compensation for Mrs M in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

Quid Market accepted the loan five shouldn't have been given and I also don't think it should have provided loans three and four. Therefore, I don't think it's fair for Quid Market to be able to charge any interest or charges under these credit agreements. But I think Mrs M should pay back the amounts she has borrowed. Therefore, Quid Market should (and to the extent this hasn't already happened):

- Add up the total repayments Mrs M has made towards these loans and deduct these from the total amount of money Mrs M received.
- a) If this results in Mrs M having paid more than she received, any overpayments should be refunded along with 8% simple interest (calculated from the date the

overpayments were made until the date of settlement)*. Quid Market should also remove all adverse information regarding these accounts from Mrs M's credit file.

- b) If any capital balances remain outstanding on these accounts, then Quid Market should arrange an affordable and suitable payment plan with Mrs M. Once Mrs M has cleared the balances, any adverse information in relation to the accounts should be removed from her credit file.

*HM Revenue & Customs requires Quid Market to take off tax from this interest. Quid Market must give Mrs M a certificate showing how much tax it's taken off if she asks for one.

My final decision

My final decision is that PROPEL HOLDINGS (UK) LIMITED trading as Quid Market should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 18 November 2025.

Jane Archer
Ombudsman