

The complaint

Miss M complains that PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket (Quidmarket) gave her a loan without carrying out sufficient affordability checks. Had better checks been made it would've seen Miss M didn't have an income and already had defaults recorded on her credit file.

What happened

Miss M was advanced one instalment loan of £600 in February 2025, and she was due to make six monthly repayments of £195.80. Based on the latest information I have to hand an outstanding balance remains due and the account has defaulted.

Quidmarket didn't uphold Miss M's complaint and so she referred it to the Financial Ombudsman. It was reviewed by an Investigator, who didn't uphold the complaint because in their view proportionate checks had been conducted.

Miss M didn't agree saying she was in receipt of benefits at the time and her bank statements which she supplied weren't considered. The Investigator explained why these comments didn't change their mind and as no agreement could be reached the complaint has been passed to me for 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.

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 M 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 M'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 M. These factors include:

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

suggestive of the borrowing becoming unsustainable).

There may even come a point where the lending history and pattern of lending itself clearly demonstrates that the lending was unsustainable for Miss M. As only one loan was approved this doesn't apply to Miss M's complaint.

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

I've considered all the arguments, evidence and information provided in this context, and thought about what this means for Miss M's complaint.

Miss M told Quidmarket that she received a monthly income of £4,200. Quidmarket didn't just rely on what Miss M said and it checked the income electronically – most likely through one of the tools made available by the credit reference agencies or it would've collected payslips.

No payslips have been provided by Quidmarket, so on balance. I think it's likely a check was conducted using one of the tools I've mentioned above. Having carried out this further check it decreased Miss M's monthly income to £3,780 per month. In the circumstances it was correct for Quidmarket to decrease Miss M's income if it believed that what she had declared was too high.

I've noted that Miss M says at the time she wasn't working and was in receipt of benefits. While I can see that from her awards notice as well as her bank statements, there isn't anything within the regulations that say a lender can't lend to someone on benefits. And for a first loan, using a tool providing by a credit reference agency to cross check an income is fair and reasonable.

In terms of outgoings, Miss M said she lived at home with parents and her total monthly outgoings came to £575. Quidmarket then went about checking the information Miss M had provided along with conducting a credit search – which I'll come on to below.

Having carried out checks into the information Miss M had declared it uplifted her credit commitments and so in total Quidmarket calculated her outgoings were £874.67 per month – which with the smaller income figure left sufficient disposable income to afford each monthly repayment.

Thinking about the circumstances of the application I think it was entirely fair and proportionate for Quidmarket to have taken on board what Miss M had provided and which showed with the further checks the loan was likely affordable.

As part of the application Quidmarket carried out a credit search and it has provided the results. I want to add that there was no requirement for a credit search to be carried out, let alone to a specific standard. What this does mean is that Quidmarket may have only asked the credit reference agency certain questions and so it's entirely possible and plausible that the information Quidmarket received wasn't as detailed as the information Miss M may be able to view in her own report.

But what Quidmarket couldn't do is carry out a credit search and then not react to the information that it was provided with. I've reviewed the results because Miss M has said the report showed enough concerning information that it ought to have led to further checks.

The credit check results showed one default recorded in May 2022 – which was almost three years before the loan was granted. I don't think in those circumstances that Quidmarket would've placed significant weight on this default as an indicator that Miss M was having or likely current finance difficulties.

Furthermore, there were no types of insolvency or County Court Judgements. Miss M had problems repaying a mail order account which had entered arrears 17 months before the loan had started but again, I think this was too long ago given the account had been brought up to date and there hadn't been any other obvious repayment problems since then.

The active accounts had been serviced and paid as expected and while I can see on some of Miss M's credit cards she was near the credit limit that alone isn't sufficient to uphold the complaint. Solely looking at the credit report, there isn't anything contained within that would've prompted Quidmarket to carry out further checks or to have declined the application.

I can see that Miss M has provided copy bank statements covering the period of time leading up to this loan being granted. But for me to be able to say that Quidmarket needed to look at them I'd have to be satisfied that it hadn't conducted a proportionate check. In the circumstances, the check was proportionate and so there was no need for them to verify the information provided beyond what it did.

Therefore, I am not upholding Miss M's complaint about Quidmarket's decision to provide this loan. An outstanding balance does remain due and I would remind Quidmarket of its responsibility to treat Miss M fairly and with forbearance when discussing a way to repay what is owed.

I've also considered whether Quidmarket acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Quidmarket lent irresponsibly to Miss M 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.

My final decision

For the reasons I've outlined above, I am not upholding Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 25 February 2026.

Robert Walker
Ombudsman