

The complaint

Miss M complains that PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket lent to her irresponsibly when they provided her with four personal loans.

What happened

In 2021, Miss M was provided with four loans by Quidmarket. I've included a table below showing more detail around the lending agreements.

Loan date	Amount borrowed	Term	Repayments	Total repayable
February 2021	£350	3 months	£152.05	£152.05
May 2021	£650	4 months	£253.37	£1,013.48
October 2021	£400	3 months	£183.01	£549.03
December 2021	£400	3 months	£205.58	£616.74

In 2025, Miss M complained. In summary, she said Quidmarket had irresponsibly lent to her and that sufficient checks – to ensure her affordability status – hadn't been undertaken.

Quidmarket didn't uphold the complaint. They said, in summary, that they had carried out checks proportionate to the amount being lent; those checks hadn't revealed any concerns, and on that basis, the credit had been provided. So, they were satisfied they had lent responsibly.

Miss M disagreed however; she still thought Quidmarket were wrong to have provided the loans. So, she referred her complaint to this Service for independent review.

A number of opinions were issued on the complaint, and prior to the most recent opinion, Quidmarket accepted that they should not have provided loan 3, and they agreed to put things right in line with our service's approach to redress on such matters. But they maintained that the other loans were provided responsibly. So, the investigator went onto consider loans 1, 2 and 4.

Having done so, the investigator didn't think Quidmarket had done anything wrong in respect of providing loan 2. But he maintained his opinion that loans 1 and 4 should not have been provided. And he set out how Quidmarket should put things right in respect of loans 1 and 4, in addition to loan 3 that Quidmarket had accepted. In summary, he said:

- The checks carried out by Quidmarket for loans 1, 2 & 4 were proportionate in the circumstances.
- The information gathered as a result of those checks wouldn't have given Quidmarket any concern in respect of loan 2.

- There was nothing that would have suggested to Quidmarket that Miss M was struggling financially, and/or wouldn't be able to afford the loan repayments for loan 2.
- Any financial struggles, which did materialise for Miss M later, wouldn't have been apparent to Quidmarket at the time they provided Miss M with loan 2.
- With that in mind, Quidmarket hadn't acted unfairly or unreasonably in providing loan 2 to Miss M.
- In respect of loans 1 and 4 however, whilst checks were proportionate, the results of those checks should've led Quidmarket to conclude the lending was unaffordable for Miss M. So, he recommended Quidmarket put things right in line with our service's approach to redress on such matters in respect of loans 1, 3 and 4.

Miss M accepted the findings, but Quidmarket disagreed. They maintained that they had lent responsibly in respect of loans 1 and 4. So, as no agreement has been reached by the parties, Miss M's complaint has now been passed to me to decide.

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.

As both parties are in acceptance of the findings on loans 2 and 3, my decision will focus purely on loans 1 and 4.

Having now reviewed matters, I agree with the findings of our Investigator and for broadly the same reasons. I'll explain why.

The rules and regulations in place at the time Miss M was provided with the loans, required Quidmarket to carry out a reasonable and proportionate assessment. That's to determine whether Miss M could afford to repay what she owed in a sustainable manner. This practice is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be borrower focussed; that is, relevant to Miss M. So, Quidmarket had to think about whether repaying the credit sustainably would cause her difficulties, or other adverse consequences. In other words, Quidmarket had to consider the impact of any repayments on Miss M.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g: their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Updraft did what they needed to before agreeing to lend to Miss M.

Looking at the first loan arranged in February 2021, it seems Miss M was earning around £1,650 a month. She was living with parents and disclosed that she was paying around £60 a month towards her utilities, and around £380 on food. These figures were used by Quidmarket, along with a figure of £820 towards her monthly credit commitments. On this basis, Quidmarket felt there was sufficient disposable income to be able to repay the loan.

The investigator however, disagreed and felt that Quidmarket's assessment of income and expenditure should have taken into account further credit commitments, and that had they done so, they would've concluded the loan would've been unaffordable.

While I haven't specifically listed every item of credit here, I've focussed on those items where there is some room for interpretation on the balances owing or payments due.

Quidmarket have argued that one recent loan showed monthly payments of £300 on a balance of just £219, on a loan recently taken out. They said this was clearly an error in recording. So Quidmarket recalculated the expected payment towards that loan using their own affordability calculator.

While I can't be 100% sure as to whether it was an error in the monthly instalments quoted, or an error in the balance recorded, I've accepted Quidmarket's rationale and the new monthly payment they concluded likely – of £113.

I've also excluded from the income and expenditure check the telecoms payment of £54, as I think it likely this is what Miss M was referring to when she quoted a figure of £60 a month towards her utilities. And, I've discounted a loan that was listed with a monthly payment of £150, as the outstanding balance showed at just £122. So, I think it's likely this had been repaid at the time the Quidmarket loan was taken out.

Quidmarket however, also seem to have excluded a number of other loans with low balances. But from the information I've seen, these accounts had outstanding balances in excess of the monthly repayments due, so I think at the time of Quidmarket's lending decision, it would be reasonable to expect Quidmarket to take these costs into account, given there was no evidence to show that they had been settled as of yet.

Based on the above, at the time of Quidmarket's first lending decision, I think it's reasonable to conclude that Miss M's monthly credit commitments were in the region of £1,018. And, when deducted from her monthly income of £1,650, along with the £380 food costs, £60 for utilities, and the £152 payment towards the loan, this left Miss M with around just £40 remaining to cover any unexpected expenses. I don't think this was sufficient in the circumstances.

I also think that at the time this loan was granted, it should have been clear to Quidmarket that Miss M had already entered into a pattern of lending that appeared unsustainable. I say this because - as Quidmarket have themselves accepted - Miss M had taken out nine new credit items in the six-month period leading up to this loan. Furthermore, 8 of these were taken out less than two months prior to Quidmarket's lending decision. I think therefore, when taking into account the limited disposable income, and Miss M's clear reliance on credit at the time, with a high volume of new credit taken out, it should have been clear to Quidmarket that further lending at this stage was no longer sustainable.

Turning next to loan 4, while I haven't assessed loans two and three, it's important to note for context that loan two was taken out just three months after loan one, with loan three being provided around five months after loan two.

Quidmarket have focussed their arguments on the fact that only eight new accounts had been taken out in the six months prior to this lending decision, and they suggest this is a reasonable sum, and a decrease from the position at loan one. But, while this may be the case when considering solely those credit items remaining active, the amount of new accounts taken out since loan one – just eight months prior – is significantly higher than this if you take into account the credit Miss M took out and settled shortly after. And I can see at least 15 – 20 further items of credit being provided to Miss M within that timeframe. This

includes two further credit items in March, just a month after taking out loan one; three in April; two in May; and four in June, amongst others in each of the months that followed. With the amounts borrowed increasing significantly from the first loan taken with Quidmarket.

So, while, on a pure pounds and pence basis, at the point loan four was taken, Miss M's credit report may have shown a slight dip in outgoings, it seems that there were numerous other items of settled credit that Miss M had paid off as a result of taking out further finance. And it was clear she had now become reliant on that regular credit to manage her day-to-day spending, with new agreements being entered into (often several) in every month after loan one was taken out.

So, for the reasons set out above, I think it should have been clear to Quidmarket, that at the time of loan four, Miss M had now entered an unsustainable pattern of lending, and that given her circumstances, it wouldn't be responsible to continue to lend to her.

Finally, I've also considered whether the relationship might have been unfair under Section 140A (S140A) of the Consumer Credit Act 1974. However, for the reasons I've already given, I'm satisfied the redress I have directed below results in fair compensation for Miss M. Based on what I've seen, S140A wouldn't warrant any additional compensation in this case.

Putting things right

Quidmarket should add up the total repayments Miss M has made towards loan 1,3 and 4 and deduct these from the total amount of money lent.

a) if this results in Miss M having paid more than she 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 from Miss M's credit file.

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

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 Quidmarket to take off tax from this interest. Quidmarket must give Miss M a certificate showing how much tax they've taken off if she asks for one.

Putting things right

My final decision is that I uphold Miss M's complaint. And I direct PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket to put things right as set out above.

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Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 1 April 2026.

Brad McIlquham
Ombudsman