

## The complaint

Miss B complains Quidie Limited trading as Fernovo online lending irresponsibly lent to her.

## What happened

Miss B took out three loans with Fernovo:

- Loan one – 10 June 2022 for £200
- Loan two – 26 July 2022 for £300
- Loan three – 15 September 2022 for £250

In her complaint to Fernovo, Miss B has said the loans were irresponsibly lent taking into account her financial circumstances.

Fernovo said Miss B had three loans over a 12-month period. For each loan they'd got a report to verify her creditworthiness, and they also checked how much debt she had using a credit report from a credit reference agency (CRA). Fernovo didn't think they'd done anything wrong. But, in recognition of her having paid her first two loans on time, as a gesture of goodwill and in full and final settlement of her complaint they said they would:

- Reduce her outstanding debt to £61.52 – meaning she'd only have to pay back the rest of what she'd borrowed on loan three
- Delete her information from the CRAs once she'd accepted this offer

The offer was conditional on Miss B withdrawing her complaint.

After receiving the outcome from Fernovo, Miss B contacted us and ultimately asked us to look into her complaint. One of our Investigators did so, and didn't think Fernovo had done anything wrong, so didn't uphold her complaint about any of the three loans. Miss B said she'd accept the outcome of loans one and two but not loan three. In summary she said the reason this should be assessed differently is because:

- Loan three was taken immediately after loan two – and at this point she'd taken two recent loans from the same lender, with each loan being repaid by the next.
- Even using Fernovo's own income calculations she was left with as little as £11-£20 disposable income per month which left no margin for error.
- Her bank statements show no spare income and this supports that she couldn't afford further high-cost borrowing.
- Loan three was taken out the day after loan two had been repaid, and her repayment history showed she was relying on credit.
- Shortly after taking out loan three, she entered into a debt management plan (DMP) which is consistent with her fragile financial position at the time.

Our Investigator still thought Fernovo hadn't done anything wrong. He also checked with Fernovo to see if their offer was still available. But it wasn't, so Miss B's complaint's been passed to me to decide.

I'm aware Miss B has some concerns over information we've given her when she first contacted us, and those will be addressed separately by one of my colleagues.

### **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.

I think it's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

We've explained on our website how we handle complaints about unaffordable and irresponsible lending, and I've used this to decide Miss B's case. Fernovo were required to make sure they didn't lend irresponsibly – which meant they had to gather details of Miss B's circumstances to ensure she could sustainably repay this loan. This is called carrying out proportionate checks. Our website sets out what proportionate checks are – so I've looked at what information Fernovo gathered to see if they carried out proportionate checks.

We generally say the higher the amount of borrowing, or the lower a borrower's salary, the more a lender needs to do to satisfy themselves they've gathered proportionate information. Equally, if the amount of borrowing is low, and the salary is high, then the less we'd say lenders need to do to show they didn't lend irresponsibly.

In her email to us on 2 January 2026 Miss B said she didn't want to challenge our Investigator's outcome on loans one and two and only wanted to challenge loan three.

So, I've focused on whether Fernovo carried out proportionate checks on Miss B when she took out loan three with them.

Fernovo have shown Miss B told them her net monthly pay was £3,150 and she'd been with her employer for three years. They've also shown she said her monthly expenses were £250.

But, Fernovo used modelling data to determine if this was a likely figure. I don't think this is unreasonable. The modelling data suggested Miss B's monthly expenses were likely to be significantly higher at £2,065 per month. Given Miss B's declaration of only £250 a month in expenses, I think it was reasonable of Fernovo to check this.

Fernovo's checks also showed no significant concerns from her credit report – there were no defaults in the last 12 months, and no court ordered action such as a bankruptcy or a county court judgment. The checks do show Miss B had a default recorded within the last three years of taking out the loan.

Given the amount of borrowing Miss B was applying for was quite low, and her declared income was quite high, I'm satisfied Fernovo have carried out proportionate checks.

Having gathered what I consider to be proportionate information, Fernovo then had to use that information to make a fair decision to lend.

I don't think Miss B taking out a third loan with the same lender in itself is sufficient to say Fernovo shouldn't have granted her the lending. I say that because in total the amounts borrowed over a three-month period was £750 – and Miss B hadn't missed any payments to

the previous two loans. So, in effect, she was a customer who had a good payment record for Fernovo when they were deciding whether to grant this third loan.

In terms of her income, Miss B said she received a net salary of £3,150 each month. Fernovo's searches suggested this income was correct. Having looked at the report, I've seen no reason why they should have questioned it.

Fernovo's calculations suggested Miss B had £1,085 net monthly disposable income after expenses – which is lower than what she'd declared. Miss B says this her actual disposable income was £11-£20 a month, which doesn't allow for any unexpected expenses.

I agree, it doesn't. But Miss B's calculation seems to be based on her actual income and expenditure – rather than what had been declared to Fernovo and what their checks showed. As I've explained above, I think it was reasonable for them to gather the information they did about her income and expenditure – and they didn't need to check her bank statements because the information they gathered was proportionate taking into account her income and the amount being borrowed.

In reaching my conclusions, I've also considered whether the lending relationship between Fernovo and Miss B might have been unfair to her under section 140A of the Consumer Credit Act 1974 (CCA).

But, for the reasons I've explained, I don't think Fernovo irresponsibly lent to Miss B or otherwise treated her unfairly in relation to this matter. And I've not seen anything to suggest section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

### *Summary*

In summary then, I'm satisfied Fernovo carried out proportionate checks to understand Miss B's circumstances, and having done so then made a fair decision to lend.

I understand Miss B feels that entering into a DMP shortly after shows the lending wasn't sustainable. But, I'm considering Fernovo's actions, and for the reasons I've explained above I'm satisfied they've treated Miss B fairly and reasonably.

### **My final decision**

Having considered all the circumstances of this case I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 16 March 2026.

Jon Pearce  
**Ombudsman**