

The complaint

Miss B complains that PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket treated her unfairly by agreeing two loans she couldn't afford to repay.

What happened

Between February and April 2025, Quidmarket agreed the following loans:

Loan	Date	Loan amount	Term	Monthly repayment
Loan One	9 February 2025	£300	3 monthly repayments	£138.85
Loan Two	28 April 2025	£1,000	6 monthly repayments	£332.85

Miss B has said the loans shouldn't have been given. She argues that if Quidmarket had completed further checks, it would have seen that she was in a cycle of borrowing and had limited disposable income to repay the loans. She also feels that the frequency of her borrowing (by immediately returning for a much higher loan) should have caused Quidmarket to question her overreliance on credit.

Quidmarket considered her complaint but disagreed. It argued it completed proportionate checks by exploring her income, essential expenditure and existing credit commitments before agreeing to lend. It said that as a result of these checks, it concluded that the loans were affordable for Miss B.

One of our investigators considered the complaint and didn't uphold it. Miss B didn't agree and asked for an ombudsman to consider the complaint and reach a final decision. So, the complaint has been passed to me to consider.

I issued a provisional decision upholding the complaint in part, in relation to the second loan. In my provisional decision I said:

I think it was reasonable for Quidmarket to agree the initial loan, but I don't think it should have agreed the second loan. I'll explain why below.

I've read everything that the parties have said, but I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. And our rules allow me to do this. This reflects the nature of our service as a free and informal alternative to the courts.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. I have used this approach to help me decide Miss B's complaint.

Quidmarket needed to make sure it lent responsibly to Miss B. It therefore needed to complete sufficient checks to determine if Miss B could afford to sustainably repay the lending. Our website sets out our approach to what we typically think when deciding if a

lender's checks were proportionate. There is no set list of checks a lender should do, but there is guidance on the types of checks a lender could complete. However, these checks needed to be proportionate when considering things like the amount and term of the lending, what the lender already knew about the consumer, etc.

Before agreeing each loan, Quidmarket asked Miss B about her monthly income and essential expenditure for existing credit commitments, housing costs, utilities, food and travel. When applying for Loan One, Miss B declared an income of £2,240 which Quidmarket verified to be just over £2,000 per month. It also completed a credit search.

Based on the information gathered, Quidmarket calculated that Miss B would have had over £1,100 in disposable income to repay this loan and for other expenditure. The credit search revealed that Miss B had existing credit commitments totalling around £1,400. She also had no recent CCJs, bankruptcies or defaults on her file and her existing credit accounts were up to date.

I've considered the checks Quidmarket completed in relation to the first loan and I think these were proportionate in the circumstances. The loan in question was the first loan Miss B had taken with Quidmarket and it was for a relatively low amount of £300. It was also due to be repaid in three relatively low monthly instalments. And as explained above, Quidmarket had taken steps to explore her income, essential expenditure, and how she was managing her existing credit commitments.

Based on the information the checks revealed, I think it was reasonable for Quidmarket to agree this loan. As I've explained above, the checks suggested Miss B had sufficient disposable income to repay this loan and that she was managing her existing finances well. I appreciate, as Miss B has argued, this wasn't her actual position. She says if Quidmarket had considered her bank statements it would have seen she had very limited disposable income and couldn't have afforded this loan. However, as I've explained above, Quidmarket was required to complete proportionate checks. Considering the size and term of this loan, and in the context of everything else it knew about Miss B, I don't think it would have been proportionate for Quidmarket to have reviewed her bank statements.

So for the reasons explained, I don't intend to uphold Loan One.

Turning to Loan Two, Quidmarket completed the same checks which included verifying her declared net monthly income of £2,260 and gathering details of her essential expenditure. The results of these checks suggested Miss B had over £1,300 in disposable income available with which to repay this loan. It also completed a credit search which showed her overall indebtedness had increased to just over £1,800. Miss B looks to have missed a single payment on one account in the intervening months since her last application but otherwise, there was no other repayment issues. Arguably, this information doesn't suggest Miss B may have been struggling financially or would have had difficulty repaying her loan.

However, I think there were other indications from the information Quidmarket gathered to suggest that Miss B was struggling financially and that further credit at this time wouldn't have been sustainable for her. Firstly, on the same day that Miss B repaid her previous loan with Quidmarket, she applied for another loan. Her initial loan was £300, however her second loan had now increased to £1000, with monthly repayments which were substantially higher and over a longer term. So, without any break in lending, Miss B had returned for considerably more borrowing.

Furthermore, in the eight months prior to the loan in question Miss B had taken out three credit cards which were all almost at their limits at the time of this application (and had been for the majority of the time she held them). She had also taken four unsecured loans leading up to and including Loan One. After Loan One Miss B also took out another high-cost credit instalment loan in March 2025 (whilst Loan One was still outstanding) and a mail order account around the same time as Loan Two. I think the volume and pattern of this borrowing, together with the substantial increase between Loans One and Two, ought to have suggested Miss B was struggling financially and over reliant on credit. So, I think it should have been

clear to Quidmarket that Miss B was unlikely to be able to sustainably afford this loan over the full term, and I don't think it should have agreed this loan.

I have taken into consideration that the credit detailed on Miss B's credit file was for relatively low amounts (typically between £200-£500 each). However, I'm also mindful that Miss B had a relatively modest income. And looking at the overall frequency of the borrowing including very limited gaps, which led to a £1,000 loan on the day Loan One was repaid, I think it was clear from this that Miss B had become over reliant on credit. So, I think Quidmarket had sufficient information to demonstrate that Loan Two wasn't sustainably affordable for Miss B and so shouldn't have been lent.

I've considered whether this should have been apparent to Quidmarket at the time of Loan One. However, I don't agree it should have been. Loan One was Miss B's first loan with Quidmarket and it was for a significantly lower amount. And whilst there were recent credit applications on Miss B's credit file leading up to Loan One, I don't think this was sufficient at this stage to demonstrate that Loan One was unlikely to be sustainably affordable for Miss B.

Miss B has also argued that Quidmarket treated her unfairly when she struggled to repay Loan Two. She's said Quidmarket offered her a repayment plan, but explained that this would be reported on her credit file and so would have a negative impact on her credit rating. I appreciate why Miss B feels this is unfair, but this is what I would expect Quidmarket to do in the circumstances. It offered a repayment plan to help Miss B, but it does still have a responsibility to accurately report this to credit reference agencies. And so Quidmarket would have needed to report that Miss B would have been making reduced payments which aren't consistent with what was contractually required. So, I'm not intending to award any further compensation in relation to this.

Miss B accepted my provisional decision. Quidmarket have disputed my findings and Miss B has raised further comments in response to Quidmarket's objections.

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.

Having done so, I'm still minded to uphold this complaint in part. For the reasons explained in my provisional decision, which forms part of this decision, I think:

- Quidmarket completed proportionate checks before agreeing Loan One. And the information those checks revealed, suggested it was reasonable to lend.
- In relation to Loan Two, I think the information uncovered from the checks Quidmarket completed showed signs that Miss B was struggling financially. I think the frequency of borrowing, together with limited gaps leading up to the loan in question, should have suggested to Quidmarket that Miss B was unlikely to be able to sustainably afford additional borrowing.

However, I would like to comment on the points Quidmarket has made in response to my provisional decision. Firstly, I accept, as is detailed in my provisional decision, that the income and expenditure information it gathered didn't suggest that Miss B would have difficulty repaying this loan. There has also been some debate about Miss B's income. In response to my provisional decision Quidmarket has argued there was a slight increase between the two loans in question. From just over £2,000 net per month at the time of the first loan to £2,260 at the time of the second. Miss B has said her income remained consistent and she subsequently confirmed with Quidmarket that its records show she earned around £2,260 net per month at the time of both applications.

The varying figures could have been down to a difference in what Miss B declared to Quidmarket compared to what it was able to verify. However, in any event, I don't think this makes a difference to my findings. I looked at Loan One on the basis that Quidmarket verified her income to be just over £2,000 and thought this loan was affordable for Miss B. So a potentially higher amount doesn't impact that.

In response to my provisional decision, Quidmarket disagreed that Miss B's income at the time of Loan Two was "*modest*". It has said that her income fell slightly below the UK national average. I take Quidmarket's point and I accept that modest may not be a fair description of her income, particularly given her circumstances. However, having reconsidered the complaint in light of this, I'm still not persuaded to reach a different outcome. As I've explained above, I'm concerned about the frequency of borrowing, and the amount of different credit facilities Miss B took on in a short period of time. I think this showed Miss B was taking on credit at an unsustainable rate and as explained in my provisional decision, I don't think Quidmarket should have lent.

Quidmarket has said that my findings in relation to the frequency of borrowing being a concern, is purely my opinion and is inconsistent with other cases decided by the ombudsman service. For the avoidance of doubt, we look at each case individually on merits. When an ombudsman considers a case, they must decide it by taking into consideration the law, relevant rules and regulations and what the ombudsman considers to be good industry practice at the time, to reach a finding which is fair and reasonable in the circumstances. So, a case is decided based on the ombudsman's opinion taking all these factors into consideration.

Having done so, in this case I still think that the checks Quidmarket completed showed Miss B was over reliant on credit. And these results should have suggested to Quidmarket that she was unlikely to be able to sustainably afford the borrowing.

As my provisional decision explains, the volume of credit facilities being taken in the period leading up to Loan Two and prior is concerning. Quidmarket has made the argument that three loans were taken in the run up to Christmas. Whilst this may have been the case, I don't think this credibly explains the full pattern of lending or suggests that therefore the loan in question was sustainably affordable.

I accept the facilities I've referred to are relatively low, as Quidmarket has argued. However, I think the volume of credit still suggests a pattern of overreliance. Especially given a number of the credit cards were quickly at their limit after taking them. I also accept that the mail order account didn't have a recorded balance, as it was taken around the same time as Loan Two. But for Miss B to require a further credit facility around the same time as taking a £1,000 loan supports the argument she was borrowing in an unsustainable way. As does the fact that she finished repaying Loan One on the day she took out Loan Two. Loan Two was for a substantially higher amount and she took out another high-cost credit instalment loan shortly before this loan and whilst Loan One was still active.

Quidmarket has argued that it was Miss B's choice to apply for a second loan and that she had repaid her existing loan before taking Loan Two. It says that considering these factors as being concerning is a historic way of looking at high-cost short term credit. However, I don't agree. Whilst Miss B can decide the size of the loan she *applies* for or indeed when she applies, it is down to Quidmarket to lend responsibly and complete proportionate checks to ensure the applicant can afford to sustainably repay the credit being lent. And I've explained above why these factors should have caused concern.

So taking everything into consideration, for the reasons explained above and in my provisional decision, I think the information Quidmarket had access to, should have

suggested that Miss B was becoming over reliant on credit. And that she was applying for new facilities in an unsustainable manner. So I don't think Quidmarket should have agreed Loan Two.

Putting things right

As I don't think Quidmarket ought to have agreed Loan Two, I don't think it's fair for it to be able to charge any interest or fees under this credit agreement. But I think Miss B should pay back the amounts she has borrowed. Therefore, Quidmarket should:

Add up the total repayments Miss B has made towards Loan Two and deduct these from the funds received for this loan.

a) If this results in Miss B having paid more than she received, any overpayments should be refunded along with 8% simple interest per year (calculated from the date the overpayments were made until the date of settlement). † Quidmarket should also remove all adverse information regarding this account from Miss B's credit file.

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

† HM Revenue & Customs requires Quidmarket to take off tax from this interest. Quidmarket must give Miss B a certificate showing how much tax it's taken off if she asks for one.

My final decision

My final decision is to uphold this complaint in part and require PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket to put things right in the way I've described above.

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

Claire Lisle
Ombudsman