

## **The complaint**

Mr D complains that Quidie Limited trading as Fernovo (“Quidie”) lent to him irresponsibly. Mr D also complains about the complaint handling and Quidie’s treatment of him after the loan was approved.

## **What happened**

Mr D took one loan with Quidie for £350 on 30 October 2025. It was due to be repaid in four instalments of just under £145 each month with the fourth one being just under £144. The first payment was due 27 November 2025.

Before the loan was due to have been paid off, Mr D has said to us that he realised he could not afford it and complained to Quidie. He complained on 14 November 2025 and the account was placed on a 30 day hold. The response to that complaint was issued by Quidie on 26 November 2025. In early January 2026 the balance due was £448.

Mr D referred it to the Financial Ombudsman where one of our investigators did not uphold the complaint about the irresponsible lending. And he did not think that once Mr D had informed Quidie of his physical and mental health challenges that it had treated him unfairly.

Mr D disagreed and sent to us submissions as to why, all of which I have read. It’s 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.

Quidie needed to make sure that it didn’t lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether any lending was sustainable for Mr D before providing it. Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. And I’ve used this approach to help me decide his complaint.

Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship. But we might think it needed to do more if, for example, a borrower’s income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggesting the lender needed to know more about a prospective borrower’s ability to repay.

Mr D declared an income of £3,000 a month which was verified by Quidie, and it confirmed his bank account ownership, his identity and that he’d been employed continually for 147 months. So, Quidie knew he was gainfully employed with a decent net salary. Despite Mr D thinking otherwise, it is relevant that this was a small loan as it places the application in context.

Quidie gathered information that Mr D was an owner-occupier, was married with a single dependent and his declared monthly outgoings were £1,500. But it reviewed various details and increased that total outgoings figure (including rent/mortgage, bills, transport costs, food

and included a category for 'other'). That led to it calculating he had around £425 a month in income left over after he'd paid everything down including his existing credit commitments. And this would have been enough with some to spare to repay the Quidie loan.

Quidie reviewed Mr D's credit history and used a figure of £625 a month to cover those costs which it included in the calculations I referred to in the previous paragraph.

Despite what the final response letter issued by Quidie says, and despite its submissions to us referring to a great number of checks which had all come in 'green' for Mr D, I have seen that Mr D had a credit record which included some adverse data.

I have got a copy of the report Quidie obtained from a Credit Reference Agency. I have reviewed it. Mr D's overall outstanding debt was around £9,700. This total debt is not a particularly high amount and Quidie likely would have recognised that.

That debt was made up of around £3,780 for loans and around £5,900 was held on revolving credit accounts. These were accounts such as credit cards, budget accounts and mail order. Mr D's limit on those sorts of accounts (in total) was £4,410 and so Mr D's records indicated he was over that limit. On closer inspection that likely was because one of these (a budget account) had defaulted in January 2025 because it was over the set limit and another card was over its limit by £21.

Mr D was in an arrangement to pay on a credit card at £1 a month. As well as the January 2025 default, Mr D had a further one in June 2025, which is only five months before Mr D applied to Quidie.

Of the open accounts, Mr D had a couple of current accounts, utility, telecoms and several credit cards which, apart from the credit card account in an arrangement to pay, had satisfactory repayment records. The three loans Mr D had were costing him £549 a month. The two credit cards (on which there were balances and were not in the arrangement to pay) had a total outstanding balance of £370 and so that would have been calculated as costing about £11 a month at a 3% minimum monthly repayment. That means the total to pay for his loans and cards was about £560 each month.

Plus, the defaulted accounts and payments to debt collectors would have been costing Mr D some money. I see that Quidie had calculated that he was spending around £625 a month on his existing credit commitments and so I consider that may have been about right.

Mr D has referred to energy bill arrears but Quidie had no record of that and I'd not have expected it to have known. Plus, Mr D has referred to a £50,000 debt he had abroad which again, I'd not have expected Quidie to have known of that. So, I discount both of those as being relevant for the purposes of me assessing this loan approval by Quidie.

I've reviewed the other complaint files we have for Mr D. I can see that he has successfully complained in relation to two other lenders which were for loans for larger sums of money than the Quidie loan. One was for £800 taken in July 2025 which had no adverse markers on it when Quidie got the report.

The other was for a loan for £1,500 taken 3 October 2025. By going through the credit report Quidie obtained on 30 October 2025 then I have recognised the latest loan for £1,500 with that other lender had not yet registered. Often it can take about 8 weeks for a new account to register on an individual's credit record. And so, I have to explain to Mr D that Quidie would not have been aware of that loan and I'd not consider that unreasonable of it.

There was no record of any insolvencies or judgment debts.

This credit record did indicate that Mr D was not good at handling his money but the other figures Quidie had for him demonstrated that he did have disposable income of around £425 a month and that was after it had factored in everything including credit and food costs too. Quidie would not have known of the £1,500 loan taken in early October 2025 and I think that makes a difference.

Overall, due to the margin of £425 a month left over, then I think Quidie acted fairly and reasonably when it approved a low value loan of £350 with a short term of just four months.

I do not uphold the complaint about irresponsible lending.

*What occurred after the loan had been approved.*

Mr D informed Quidie of his debt and that he did not consider he could afford the loan within 14 days of taking the loan and so it could have been treated as a withdrawal if Mr D had asked for that. But he did not. And I assume he did not as if he had he would have had to repay the whole amount of the capital of £350 within 30 days. And as he'd recognised he could not afford the first instalment of £145 due on 27 November 2025 then I doubt he'd have been able to repay the full £350. In any event, Mr D raised a complaint.

Having informed Quidie of the debt he had and having sent to it a letter from his doctor (which I have read) then Quidie acted swiftly and placed the account on hold, cancelled his CPA and wrote again in December 2025 when that 30 days hold had expired asking him to get in touch so Quidie could help further.

Mr D asked for particular treatment during the complaint process and I've seen no evidence from either party as to poor treatment of him since December 2025 when that 30 day hold period expired.

Mr D has made submissions that Quidie ought to have somehow re-looked at his loan application once it knew of his physical and mental conditions and what he described as heavy debt position. To illustrate Mr D has asked me to consider this:

*'Fernovo acknowledged my vulnerability by placing my account on a 30-day hold. However, on the same day, they issued a Final Response rejecting my affordability complaint. This contradiction raises concern as to whether my vulnerability and supporting evidence were genuinely considered before reaching their decision.'*

But Mr D has also told us that Quidie did not know of these elements of his personal life before the loan was approved. As I'm being asked to review whether Quidie had carried out proportionate checks and made a fair lending decision, what it learnt after the lending decision was made in October 2025 is irrelevant for that purpose. And I'd not expect the FRL which had to address Mr D's complaint about irresponsible lending to have re-assessed the lending decision and change its view. It would have looked at the information it knew about Mr D when it made that lending decision. So, I disagree that Quidie failed when it issued the FRL.

And as for Mr D indicating that he thinks Quidie has handled his complaint improperly or not to his liking, then, I disagree. It acknowledged his complaint, it tried to resolve it with him, both by issuing the FRL offering a small balance reduction of £10 and by emailing him to ask what he considered would be a fair resolution.

The referral rights to the Financial Ombudsman Service are for individuals who disagree with the proposed resolution to a complaint and that is what Mr D has done – referred it to us for us to review. Having done so, I have given my reasons for not upholding his complaint about irresponsible lending. And I do not consider that Quidie has handled his complaint poorly or incorrectly. It's simply that he disagreed with the resolution and wanted something different.

There's been a suggestion by Mr D that he felt 'pressured' by the FRL offer of £10. That is without basis in my view: I fail to see how anyone would feel pressurised into not referring a complaint to us for such a small amount of compensation such as a reduction of £10 on the outstanding balance.

The fair treatment issue was not part of Mr D's original complaint letter and has been raised during the course of the complaint about irresponsible lending. Mr D has furnished us with some of the correspondence between the parties since then and I have reviewed what he has supplied. I find no evidence that Quidie failed in its duty to treat Mr D fairly. Since the

complaint was referred to us in January 2026 no new evidence of any alleged ill treatment by Quidie has been sent to us.

Mr D asked that I '*...independently consider whether Fernovo's post- disclosure conduct, complaint handling, and support for a vulnerable customer were fair and reasonable in the circumstances.*' I consider that they were.

I've also considered whether Quidie acted unfairly or unreasonably in any other way and whether the relationship might have been unfair under section 140A of the Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think it lent irresponsibly to Mr D or otherwise treated him 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.

I do not uphold the complaint.

### **My final decision**

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 May 2026.

Rachael Williams  
**Ombudsman**