

The complaint

Mr D complains that PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket (Quidmarket) gave him a loan without carrying out sufficient affordability checks.

What happened

Mr D was granted one instalment loan in June 2025 for £600 and he was due to make six monthly payments of £199.99. Based on the latest information I have, an outstanding balance remains due.

Following Mr D's complaint, Quidmarket explained why it had carried out proportionate checks. The complaint was then referred to the Financial Ombudsman, and it was reviewed by an Investigator, who didn't uphold the complaint because they were satisfied Quidmarket had carried out sufficient checks. Mr D didn't agree and I've summarised his response below.

- In the month or so leading up to this loan Mr D had taken on five other payday loans.
- The credit search showed overdraft usage, seven outstanding loans and 20 active accounts. This ought to have led to further checks.
- Mr D used this loan to repay another credit provider – showing the lending wasn't sustainable.
- Mr D has received a settlement for another instalment loan provided only days before this one was granted.

As no agreement could be reached the complaint has been passed to an me, an Ombudsman for a final 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.

The basis for what I go on to discuss below is laid out in CONC 5.2A and Quidmarket had to assess the lending to check if Mr D could afford to pay back the amount he'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 Mr D'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 Mr D. These factors include:

- Mr D 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);
- Mr D 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);
- Mr D 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 Mr D. But this doesn't apply in Mr D's complaint because only one loan was granted.

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

Mr D has said another instalment loan provided has settled a loan which was granted shortly before this Quidmarket one. I think the inference Mr D is drawing is that because the complaint has been upheld it therefore follows this complaint should also be upheld.

But my role is to consider the individual circumstances of the complaint taking account of any relevant law and regulation. What that does mean is that there are times when what appear to be similar circumstances can lead to different outcomes depending on the type and nature of the borrowing and the types of check(s) any lender may have carried out and what those checks show. There isn't anything unusual about that.

In short, another lender offering to settle a complaint doesn't set a precedent that I'm bound to follow. I'm satisfied in this case, I've fully considered the information Mr D gave to Quidmarket as well as the checks it conducted, what those checks showed.

Quidmarket asked Mr D about his income and expenditure details. Mr D declared he received a monthly salary of £3,100 per month. Quidmarket says this income was electronically cross checked and it didn't make any adjustments. Indicating it was content to rely on what it was told. I'm satisfied Quidmarket didn't just rely on Mr D's declaration for its affordability assessment and for a first loan this is a proportionate check.

In terms of outgoings – which includes existing credit commitments, Mr D declared these came to £1,250 per month. However, Quidmarket made checks into Mr D's outgoings including his credit commitments and it increased the amount he thought Mr D spent each month. Based on its calculations, Quidmarket believed Mr D's outgoings came to £2,116 per month. Even with the smaller disposable income, it was still proportionate for Quidmarket to believe Mr D would be able to afford the loan payments.

As I said, a credit search was also carried out and Quidmarket has provided a copy of the results it received. It's worth saying here that there was and is no requirement for Quidmarket to do a credit search nor is there any set standard it has to adhere to.

I've therefore looked at these to see if there was anything contained within the results which ought to have either led Quidmarket to have conducted further checks and or decline the application.

The credit search was carried out at the address that Mr D declared as part of his application and there wasn't anything there to suggest that Mr D was having or likely having financial

difficulties. Quidmarket was told he had just over £20,000 of existing debt, his credit cards were being used but weren't maxed out and his active accounts had been repaid as expected within the last year.

Mr D has listed the loans that he had taken out in the weeks before this Quidmarket loan, but only the two granted in May 2025 had filtered through and appeared in the search results. This would not be considered unusual as often updated records can take six to eight weeks. All of the loans granted in June 2025 were not visible to Quidmarket. It's also worth saying the two recent loans which were reported, hadn't been recorded as payday lending on the credit file.

Quidmarket was aware of some defaults that had been reported to Mr D's credit file. These had been reported in 2020 and 2021 – and the most recent one had been reported around 40 months before the loan was granted. The question here, is whether the adverse payment information which had been reported some time before ought to have been enough to have either prevented Quidmarket from lending or whether it ought to have led to further checks.

The defaults had been recorded around at a minimum four years before the loan was granted and the wasn't any significant adverse payment information to suggest Mr D's difficulties had continued. I think Quidmarket would've likely concluded that Mr D had some difficulties a number of years ago, but these had now passed. Due to the age of the defaults Quidmarket would've been entitled to have placed less weight on them as a sign that Mr D was having current financial difficulties.

Solely, looking at the credit reports provided Quidmarket – based on the caveats above were entitled to rely on what it was provided didn't indicate Mr D was, or was likely to be, having financial difficulties at the time.

I also don't think Quidmarket ought to have gathered his bank statements. I've considered this but given the checks Quidmarket did do, these were commensurate to the amount lent and what it knew about Mr D. Taking account of the circumstances of the complaint, it would've been disproportionate for Quidmarket to have gathered Mr D's bank statements.

Mr D says he used the proceeds of this loan to repay other credit – which he says is unsustainable. While that may be the case, he had told Quidmarket the loan was needed to cover an unexpected bill. For a first loan, given the checks Quidmarket carried out it was reasonably entitled to believe Mr D would use the loan for the stated purpose.

An outstanding balance is still likely due, and Mr D may wish to, if he hasn't already done so contact Quidmarket to see what help and support it can offer moving forward. I would remind Quidmarket of its obligation to treat Mr D fairly and with forbearance.

Overall, Quidmarket carried out a proportionate check which showed Mr D would likely be in a position to afford his repayments. I appreciate this outcome will be disappointing for Mr D.

I've also considered whether the Quidmarket 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 Quidmarket 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.

My final decision

For the reasons I've outlined above, I am not upholding Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 7 May 2026.

Robert Walker
Ombudsman