

The complaint

Miss D complains that PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket (Quidmarket) gave her loans without carrying out sufficient affordability checks.

What happened

Miss D's borrowing can be found below.

loan number	loan amount	agreement date	repayment date	number of monthly instalments	highest repayment per loan
1	£300	07/07/2024	31/12/2024	6	£95.34
2	£400	05/04/2025	24/09/2025	6	£123.31
3	£500	30/09/2025	outstanding	5	£176.14

Quidmarket reviewed the complaint and made an offer to settle it in relation to loan 2 because it said Miss D's disposable income was below the threshold for it to lend. It offered to refund the interest, fees and charges applied to this loan and it would then use the refund to offset the outstanding balance due on loan 3. It also said that it would waive the contracted interest due for loan 3 – this left Miss D a total outstanding balance for loan 3 of £157.98.

The complaint was reviewed by an Investigator, who partly upheld it. Quidmarket didn't agree with the proposed outcome for loan 3, and it provided its reasons. The complaint was then passed to me.

I then proceeded to issue a provisional decision explaining the reasons why I thought Quidmarket's offer was fair. Both parties were asked for any further comments, but these needed to have been received by 12 March 2026.

Quidmarket let us know it accepted the findings as set out in the provisional decision. While Miss D was chased for a response, we didn't hear from her. As the deadline for response has now passed I've proceeded to issue the final decision.

A copy of the provisional findings follows in smaller font and forms part of this final decision.

What I said in my provisional decision:

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.

Quidmarket had to assess the lending to check if Miss D could afford to pay back the amounts she'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 Miss 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 Miss D. These factors include:

- Miss 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);
- Miss 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);
- Miss 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 Miss D. As there were only three loans, I don't think this applies to Miss D's complaint.

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

Miss D has shared a lot of personal information about her circumstances at the time the loans were granted and I thank her for feeling that she could share that with us. I won't say any more here in order to protect Miss D's privacy, but I do hope things have improved for her.

Loan 1

Miss D told Quidmarket that she received an income of £1,445. Quidmarket didn't just rely on what Miss D said – it crossed check this income with a tool widely used within the industry. Quidmarket didn't make any adjustments to Miss D's income. For a first loan this check is proportionate.

In terms of outgoings, Miss D said she was a council tenant, and her total monthly outgoings came to £900. Quidmarket then went about checking the information Miss D had provided along with conducting a credit search – which I'll come on to below. Having carried out checks into the information Miss D had provided it uplifted her monthly costs to £983. This left enough disposable income to cover the payments Miss D was committed to making.

Quidmarket also carried out a credit search, and it has provided the results it received. The results didn't show any types of insolvency, County Court Judgments or defaults. The active accounts had generally been serviced and paid as expected and there wasn't enough recent adverse data to suggest Miss D was either struggling to make her repayments or was in a vulnerable position.

Based on the information Quidmarket was given along with the results of the checks I see no reason why it felt it would've needed to have made further enquires with Miss D before it lent.

The checks were proportionate and showed the loan to be affordable. I am therefore not upholding Miss D's complaint.

Loan 2

Quidmarket in the final response letter made an offer to resolve the complaint about this loan. The compensation it has agreed to pay is in line with what the Financial Ombudsman Service would've recommend it pay to Miss D if the complaint about loan 2 had been upheld by us – which included using the refund to offset her outstanding balance.

I therefore see no reason to review this loan any further because Quidmarket has accepted it shouldn't have lent. But Quidmarket should do, what it has already agreed to do to put things right for Miss D – and I've set this out below at the end of the decision.

Loan 3

Having looked at the circumstances of what happened when this loan was granted, while I'm satisfied Quidmarket needed to do more I'm not upholding this loan, and I think the offer Quidmarket has already made is fair and reasonable. I've explained why below.

It seems when Miss D initially applied for this loan – she declared an income of £2,600 per month. This was greater than the income declared at loan 1 and the amount at loan 2 - £1,250. As before Quidmarket cross checked the income using a tool provided by a credit reference agency – and this time the income didn't pass the check. Indicating that what Miss D declared wasn't accurate.

Quidmarket says that part of its process is to then ask for further information to support the income. I've seen the note showing a request was sent to Miss D for further information and Quidmarket has acknowledged that it didn't hear back from Miss D with either the requested payslip or bank statement.

However, Quidmarket then ran a lower income figure through the cross-checking tool - £2,200 and this time it passed. Quidmarket says this is the amount given to it by Miss D – but I can't reconcile that Quid Market did an income check of £2,600 per month so it must have received that information from somewhere.

However, on the lower income amount - £2,200 it passed the check – so Quidmarket says it was then able to proceed with the rest of the application without the need for the further information it had requested from Miss D.

But I don't think that was right. Miss D had declared an income that had failed its checks and then while Quidmarket was able to successfully to cross check a lower amount I don't think the checks ought to have ended there. With the significant increase in income of around £1,000 since loan 2 and with the failed initial cross check, I do think Quidmarket shouldn't have relied on the cross checking but it ought to have taken steps to verify Miss D's income – as it initially tried to do.

Quidmarket just needed to verify Miss D's monthly income, and this could've been achieved by either requesting pay slips, obtaining any other documentation or by asking for copy bank statements.

Miss D has provided her bank statements, so I've looked at these but solely for the purpose of checking her income and not because I think Quidmarket needed to carry out verification into her full financial circumstances. Had Quidmarket made further enquire with Miss D it would've seen that she was in receipt of benefits at the time and this totalled around £2,000 per month.

So had Quidmarket taken steps to verify Miss D's income it would've seen her benefit payments of £2,000 which is less than the £2,200 it used for the assessment. I should also add that just because Miss D was in receipt of benefits that doesn't mean Quidmarket couldn't lend to her especially if the rest of the checks it carried out supported that the loan repayments would be affordable.

Miss D declared all her outgoings came to £1,025 per month – which is broadly in line with what she had previously declared. However, as before Quidmarket cross checked the information Miss D had provided and having done so it could see she had under declared her credit commitments. Quidmarket took these costs into account and concluded her outgoings were £1,518. Even with this larger monthly outgoing and using Miss D's actual checked income of £2,000 the loan still looked affordable.

Quidmarket has provided the credit search data that it received, and I don't think looking at them overall that Quidmarket would've thought there was anything overly concerning. I can see that Quidmarket has shown that Miss D's credit commitments were significantly more per month – but I don't think the figures it has used are quite accurate. I can see a credit union loan, another loan, a

current account, credit card and two buy-now-pay-later accounts. The cost per month to service these debts was around £300.

But Quidmarket has said for the purposes of the affordability assessment Miss D's credit commitments were £441 per month. But I think this included the repayment for loan 2, which Quidmarket knew had been settled but hadn't yet been updated with the credit reference agency.

Overall, Miss D only had total outstanding debt of £1,332 which is a fairly modest amount. The credit file also didn't show any defaults, insolvencies or CCJs. I can see that Miss D had problems repaying a credit card earlier on in 2025 but that had been settled and fully repaid by the time this loan was granted and given there wasn't any other adverse payment information, I don't think Quidmarket needed to have placed as much weight on it to show current financial difficulties – when the rest of the credit search results indicated there weren't any.

I am therefore planning not to uphold this loan because while Quidmarket had carried out proportionate checks into Miss D's expenditure and credit file it hadn't carried out proportionate checks in relation to her income. But further verification of her income wouldn't have changed the outcome because the loan would've still looked affordable.

I am therefore planning not to uphold Miss D's complaint about loan 3. However, Quidmarket in the final response letter has agreed to remove the interest, fees and charges it applied and only collect the capital balance that was lent. Considering I am not upholding the loan, I consider this outcome to be fair and reasonable.

Unless further payments have been made since the final response letter than an outstanding balance will remain due and I would remind Quidmarket of its obligation to treat Miss D fairly and with forbearance with discussing a way forward to repay what is owed.

For completeness, I've set out below what Quidmarket has already agreed to do – and may have already done in order to put things right for Miss D which I consider to be fair and reasonable in the circumstances.

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 no new comments have been provided, I see no reason to change the outcome that I proposed in the provisional decision – and which is set out above. I still think Quidmarket didn't make an error in relation to lending loans 1 and 3.

But Quidmarket's offer to settle the complaint for loans 2 and 3 was and is fair and reasonable in the circumstances of this complaint. So, if Quidmarket hasn't already done so – it should do what has been set out below (and what can be found in the final response letter) to put things right for Miss D.

Overall, I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed below results in fair compensation for Miss D in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

In line with what Quidmarket has already agreed to do, for loans 2 and 3, it should.

- A. Add together the total of the repayments made by Miss D towards interest, fees and charges on loan 2.

- B. Calculate 8% simple interest* on the individual payments made by Miss D which were considered as part of “A”, calculated from the date Miss D originally made the payments, to the date the complaint is settled.
- C. Remove all interest, fees and charges from loan 3, so Miss D only has to repay the capital she borrowed.
- D. Use the refund calculated in “A” and “B” to offset the outstanding balance due for loan 3.
- E. Remove loan 2 from Miss D’s credit file.

If Quidmarket has already carried out the above compensation, it’s not required to do any more.

*HM Revenue & Customs requires Quidmarket to deduct tax from this interest. It should give Miss D a certificate showing how much tax it has deducted, if she asks for one.

My final decision

For the reasons given above and in the provisional decision, PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket has already made an offer – as outlined in the final response letter to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that PROPEL HOLDINGS (UK) LIMITED trading as Quidmarket should now pay this offer.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss D to accept or reject my decision before 14 April 2026.

Robert Walker
Ombudsman