

The complaint

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

What happened

Mr T's borrowing history can be found below.

| loan number | loan amount | agreement date | repayment date | loan term (months) | highest repayment per loan per month |
|-------------|-------------|----------------|----------------|--------------------|--------------------------------------|
| 1 | £300 | 13/03/2021 | 28/05/2021 | 3 | £137.26 |
| 2 | £400 | 11/06/2021 | 31/12/2021 | 6 | £123.56 |
| 3 | £400 | 04/01/2022 | 29/04/2022 | 4 | £161.97 |
| 4 | £400 | 05/09/2022 | 31/12/2022 | 4 | £161.69 |

Quidmarket didn't uphold the complaint because the evidence it gathered including payslips and bank transaction logs showed the loans to be affordable. Unhappy with this outcome, Mr T referred his complaint to the Financial Ombudsman.

The complaint was then considered by an Investigator, who didn't uphold it because Quidmarket had carried out proportionate checks which showed the loans to be affordable. Mr T didn't agree with the outcome, and I've summarised his response below;

- Had Quidmarket correctly reviewed his bank statements it would've seen these loans weren't affordable. Instead, it relied upon transaction summaries which didn't reflect Mr T's actual financial position.
- The bank statements show multiple high-cost credit loans crediting and debiting the account as such the disposable income figure calculated was inaccurate.
- Mr T's need for further payday loans ought to have been a red flag for Quidmarket.
- By loan 2, Mr T had payday loans costing him nearly £1,200 per month.
- No consideration was taken for the overall pattern of borrowing.
- Mr T only paid on time to prevent harm to his credit file.

The Investigator explained why these comments didn't change their mind and as no agreement could be reached the complaint has been passed to me for a 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.

Quidmarket had to assess the lending to check if Mr T could afford to pay back the amounts 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 T'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 T. These factors include:

- Mr T 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 T 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 T 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 T. But given only four loans were granted, for similar amounts and there was a small break between loans 3 and 4 then I don't think this applies in the circumstances of Mr T's complaint.

Quidmarket was required to establish whether Mr T could sustainably repay the loans – 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 T was able to repay his loans sustainably. But it doesn't automatically follow that this is the case.

Loan 1

Mr T told Quidmarket that he received an income of £2,000. Quidmarket didn't just rely on what Mr T said – it crossed check this income with a tool widely used within the industry. Quidmarket didn't make any adjustments to Mr T's income and so it was satisfied that what he declared was likely accurate. For a first loan this check is proportionate.

Mr T declared total outgoings of £950 per month. Quidmarket then went about checking the information Mr T had provided along with conducting a credit search – which I'll come on to below. Having carried out these checks it uplifted the monthly living costs to £1,519. This left enough disposable income to cover the payments Mr T 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 or County Court Judgments (CCJs). The check result did show that Mr T had defaulted on two accounts in 2018 and one account in 2019. One of the defaults in 2018 had been settled and the other was being repaid through a repayment plan. No payments had been made to the 2019 default.

Given the passage of time and the lack of any other recent adverse payment information it would've been reasonable for Quidmarket to believe that the defaults weren't a reflection of Mr T's current financial position. And so this default alone would not have been a reason for it to consider additional checks were required.

The credit check results didn't indicate that Mr T was at the time struggling to pay his existing creditors or was overindebted and his total debt at the time was just under £6,000 which is not a high figure While there had been some missed payments on a credit card and

mail order account around 9 months before the loan was granted, there wasn't anything else to have prompted further checks into Mr T's application.

As such, given the rest of the checks that Quidmarket carried then the decision to lend was fair because proportionate checks were made for a first loan which showed the loan was affordable. As such, I don't think it would've been proportionate for Quidmarket to check the information provided by Mr T any closer – as such I don't think it needed to obtain a copy of his bank statements.

I do not uphold Mr T's complaint about this lending decision.

Loan 2

Quidmarket carried out the same sort of checks for this loan as it had done for loan 1. Mr T once again declared an income of £2,000 but this time Quidmarket also obtained a copy payslip which showed his salary was likely to be £1,830 per month. It was this smaller figure that was used for the affordability assessment which was the correct thing to have done and was also proportionate to the application.

Mr T once again provided detailed of his outgoings which included the credit commitments he had. Quidmarket cross checked these and for the assessment it used a monthly outgoings figure of £920. Again, I think this check was proportionate given this was a second loan – it hadn't yet reached the point where Quidmarket needed to verify this information perhaps through the use of bank statements.

I've also reviewed the credit check data Quidmarket received – there were no new defaults, and nothing contained within that would've led it to conclude that further checks were needed.

Mr T says at that this time he had short term lending commitments of close to £1,200 per month but that amount wasn't reflected in either the information he provided Quidmarket nor in the credit check results. The credit check showed that Mr T had a total of three loans costing him £338 per month.

Having looked at everything, Mr T provided to Quidmarket, the results of its own checks and considering this was the second loan and it was only for marginally more than the first then I do think the checks were proportionate and these checks showed Quidmarket that Mr T would be in a position to afford his repayments. As such, I am not upholding Mr T's complaint about the second loan.

Loans 3 and 4

Quidmarket carried out the same checks for these loans which is why I've grouped them together. But it is important to note that there was a fourth month lending break between loans 3 and 4. And while that may not have been enough to have broken the lending chain, I have considered this as part of the overall lending relationship and the checks I'd have expected to have been done.

Quidmarket took details from Mr T about his income and his outgoings and credit commitments. Based on the information that Mr T provided and the results of Quidmarket's checks these loans looked affordable.

The credit search for loan 3, didn't have any new defaults, indeed a default had since dropped off of Mr T's credit file. There was a smaller amount of debt compared to loan 2 and

fewer loan accounts were open. But Mr T had, on two active accounts some payments problems around two months before this loan was granted.

By loan 4, the credit searches showed no new defaults. Mr T only had two loans open at the time but against here had been some further adverse payment information. On a mail order account he had missed payments 2 and 5 months before this loan was granted. There was also a credit card showing that it was over the credit limit which was leading to adverse information being reported.

However, I don't need to make a finding that the credit check results ought to have prompted further checks. I say this bearing in mind for both of these loans, Quidmarket was able to cross check the income and Mr T's outgoings through transactions logs for Mr T's bank account.

Quidmarket has supplied the logs that it received from Mr T and so I've taken a look at them to see whether there were signs of any financial difficulties or anything that may have suggested Quidmarket hadn't correctly considered the information it had been provided with.

For example, for loan 3, Mr T provided details of the account debits from December 2021. What Mr T provided isn't exactly the same as bank statements because although I can see the account movements a running account total wasn't provided as part of the information he gave to Quidmarket.

For loan 3, the transaction log shows a number of everyday costs such as travel and then details of Mr T's discretionary expenditure. There was very little in the way of regular living costs – I can see credit card payments, TV subscription (or internet service), mobile phone payments. Quidmarket was aware that he was accessing funds through a high cost credit facility – which did appear in the credit search results. However, there was no other evidence of payday loans or anything to suggest that Mr T was likely having difficulties managing his payments or had other unsustainable spending.

The transaction log for loan 4, shows much the same in terms of spending and payments. I do accept that this time the log shows a payment to another payday lender. But I don't think that on its own is sufficient to say that Quidmarket ought to not have lent.

As such, I don't think the evidence provided by Mr T as part of his application would've led Quid Markt to believe that he couldn't sustainably make his repayments. As such, Quidmarket has arguably done more than maybe was expected given the value of the loans and made a reasonable decision based on the information it had to hand.

Overall, for these loans I'm satisfied the checks were proportionate which demonstrated Mr T would be in a position to afford these loans. As such I am not upholding his complaint about the lending.

I've also considered 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 T 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 set out above, I am not upholding Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or

reject my decision before 20 May 2026.

Robert Walker
Ombudsman