

complaint

Mr N complains that CashEuroNet UK LLC (trading as QuickQuid) provided him with poor service when he fell into financial difficulties and offered him a further loan. He wants to be compensated for the time he has had to spend on this issue and for the inconvenience it has caused him.

background

Mr N took out a loan with the business in May 2017 for £400. The repayments were due in 3 monthly instalments. Mr N repaid the first instalment but was unable to repay the second and third instalments as they became due and QuickQuid transferred the account to a third party debt collector to attempt to recover the money from Mr N.

Mr N paid a token payment of £1 to the debt collector as he was experiencing financial difficulties. QuickQuid say that this partial repayment was communicated to it by the debt collector as a full repayment. QuickQuid sent a message to Mr N confirming his account was repaid in full on 12 May 2018. Mr N called the business to query what had happened as he knew he had not paid the debt in full. Mr N says he was told the debt was paid in full and he says he wasn't able to make a complaint even though he asked to.

On 14 May 2018 Mr N received a promotional email offering him a discount on a further loan which he says was distressing because he was in financial difficulties and repaying an outstanding debt.

Our adjudicator thought that the business had been wrong to offer Mr N further loans when he was in financial difficulty and it had not properly dealt with his complaint that the loan had not been settled in full as it had recorded. Our adjudicator thought that this had caused Mr N inconvenience and upset and the business should pay him £200 to compensate for this.

The business didn't agree and replied to say in summary that it discovered the error on the 15 May 2018 and sent a message to Mr N to confirm the position. It says that the email offering a further loan was sent in error as it was an automated email generated by the incorrect information that the loan had been paid in full. It was unlikely that Mr N would have successfully had another loan given the outstanding debt and so it didn't agree that it had done anything wrong.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have looked through the information provided and I can see that the business incorrectly recorded that Mr N's loan had been settled in full and confirmed this in an email to Mr N.

Mr N says that he called the business to query what had happened straightaway. The business has been asked for a copy of the call recording or a transcript but it does not want to provide this. Mr N says that during the call the representative was rude to him and wouldn't allow him to make a complaint. He said he was passed back to the debt collector and he was again told that his account was paid in full. I have no reason to doubt what Mr N says about the call and I think it is likely that he was given confusing information about the debt and he wasn't able to make a complaint about the problem. Mr N says he made a

number of calls to the business and the debt collector to try to sort the matter out and I can imagine this was time consuming and inconvenient for him.

Mr N then received a promotional email offering him another loan. I agree with the adjudicator that this was inappropriate. In the Financial Conduct Authority's Handbook under the Consumer Credit sourcebook, it states the following under "3.8.2R Unfair business practices":

*"A firm must not in a financial promotion or a communication with a customer:
(3) promote credit where the firm knows, or has reason to believe, that the agreement would be unsuitable for that customer in the light of the customer's financial circumstances or, if known, intended use of the credit."*

Although the business says the email was sent in error this doesn't alter the position that it knew Mr N was in financial difficulties and he had been unable to make repayments on his last loan. It had done nothing to ensure this promotion was suitable for Mr N. I can appreciate how upsetting Mr N must have found this, especially in the context of trying to find out what had happened with the payments to his account.

Mr N has been caused inconvenience because of this issue. He has had to contact the business and the third party debt collector on several occasions and the information he has received has not met his needs.

I agree with the adjudicator that in order to compensate Mr N for the trouble and upset the business should pay Mr N £200.

my final decision

My final decision is that I uphold this complaint.

CashEuroNet UK LLC should pay Mr N £200 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 20 March 2019.

Emma Boothroyd
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