

complaint

Miss M complains that CashEuroNet UK LLC (trading as Quick Quid) was irresponsible to offer her loans she couldn't afford to repay. She asks that it refunds interest and charges and removes information about the loans from her credit file.

background

Miss M took out four loans with Quick Quid as follows:

Loan number	Date of loan	Loan amount	Largest repayment	Date repaid
1	05.07.16	£250	£306	23.09.16
2	28.09.16	£250	£306	18.11.16
3	03.12.16	£250	£306	10.02.17
4	23.07.17	£200	£244.80	outstanding

Miss M says Quick Quid shouldn't have offered her the loans. She says she was borrowing to meet repayments on existing debts and because of a gambling addiction.

The adjudicator recommended that the complaint should be upheld, saying:

- the checks made by Quick Quid were proportionate for loans 1 and 2. Miss M said her monthly income was about £990 and her normal monthly expenditure was about £320. This suggested the loans were affordable.
- given Miss M's borrowing pattern, Quick Quid should have asked about Miss M's short term commitments before offering loan 3. Had it done so, it would have known Miss M had short term commitments that made the repayment unsustainable.
- while Quick Quid should have made further checks before loan 4, Miss M hadn't provided her bank statements or credit report. So he couldn't determine what it would have found if it had.

The adjudicator said Quick Quid should refund interest and charges on loan 3, with 8% interest, and remove adverse information about the loan from Miss M's credit file. He said it wasn't reasonable to require Quick Quid to remove information about the other loans from Miss M's credit file as this is an accurate reflection of her borrowing.

Quick Quid didn't agree saying it had provided evidence that it acted responsibly when it offered loans to Miss M. It said there was no requirement to allow for disposable income for emergencies or unforeseen expenses and it believed loan 3 was affordable.

my provisional decision

I didn't agree with all of the adjudicator's recommendations. So I sent a provisional decision to the parties to explain why. In it, I set out the following provisional findings:

loans 1 and 2

I think the checks made by Quick Quid were proportionate for loans 1 and 2, given the amount of the loans and Miss M's stated income. Quick Quid asked about Miss M's

monthly income and expenditure. The information Miss M provided suggested the loans were affordable.

loans 3 and 4

I think Quick Quid should have asked for more information before offering loan 3. This was Miss M's third loan without a significant break. I think it should have asked about her short term commitments.

Miss M incurred late fees and default interest on loan 3. While there was a break before she took out loan 4 I don't think the break was long enough for Quick Quid to be sure Miss M's finances had recovered. In the circumstances, I think Quick Quid should have taken Miss M's borrowing history into account when deciding what affordability checks to make. I think it should have asked for information to gain a full understanding of Miss M's financial circumstances. While there are different ways of doing this, one is to look at her bank statements.

Miss M hasn't provided her bank statements for all of the period she borrowed from Quick Quid. In particular, I don't have copies of her bank statement for January 2017 when the second, larger repayment for loan 3 was due. And I don't have bank statements for January 2017 to April 2017. Miss M hasn't provided a copy of her credit report or other evidence about loans or other financial commitments outstanding when she took out the loans.

I think Quick Quid should have carried out further checks before offering loans 3 and 4. But I don't think, based on the evidence I've received, I can reach a fair conclusion about what Quick Quid would have seen if it had carried out further checks. In the circumstances, I don't think I can reasonably find that Quick Quid was wrong to offer the loans.

If Miss M provides her bank statements and/or her credit report and/or other evidence about her financial circumstances when she took out the loans, I will take this into account before I issue my final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Quick Quid agreed with my provisional decision. Miss M didn't respond. I don't have bank statements or sufficient other evidence about her financial circumstances to reach a fair conclusion about what Quick Quid would have seen if it had carried out further checks before offering loans 3 and 4. In the circumstances, I don't think I can reasonably find that Quick Quid was wrong to offer the loans.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 9 November 2018.

Ruth Stevenson
ombudsman