

## complaint

Mr H complains about the loans he took out with CashEuroNet UK LLC trading as QuickQuid. He says that he became reliant on these loans and he needed to keep borrowing to balance his finances. He thinks QuickQuid's credit checks should've shown this and it shouldn't have continued to lend to him.

## background

Mr H took out 3 loans with QuickQuid in 2013. Some of the information QuickQuid has given us shows that these are:

started	amount borrowed	term	ended
15/06/2013	£50.00	16d	01/07/2013
19/07/2013	£50.00	10d	29/07/2013
17/08/2013	Flex credit. £450 limit. 10 month term. Largest repayment of £142.03		13/05/2014

QuickQuid has looked at Mr H's complaint and said that it shouldn't be upheld. It said that it did appropriate checks, and these checks showed that the loans were affordable. As Mr H only had three loans it didn't think he was dependent on the lending.

Our adjudicator thought that Mr H's complaint shouldn't be upheld. She thought that QuickQuid had made proportionate checks for loans 1 and 2. So she thought that its' decisions to lend were reasonable.

She didn't think that QuickQuid had made proportionate checks for loan 3. But she thought if it had then it still would've agreed to lend Mr H money. This is because she thought that Mr H could afford the repayments. And this would've been apparent to QuickQuid had it completed better checks.

Mr H didn't agree with our adjudicator but he didn't raise any further issues. So as no resolution's been reached the complaint's been passed to me to me to issue a 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. Having done so, I've decided to not to uphold Mr H's complaint. I'll explain why.

QuickQuid was required to lend responsibly. To do this it needed to make checks to see whether Mr H could afford to pay back each loan before it lent to him. There's no set list of what a lender should do to check affordability. But the checks should be proportionate to things like the size of the loan, the repayments, what the lender knows about the consumer and what the consumer tells the lender about their circumstances.

So I've looked at whether QuickQuid performed proportionate checks. If I think that the checks were proportionate then it usually would've been reasonable for it to lend. But if QuickQuid didn't do proportionate checks I've looked at whether it would've been apparent

to it that the loan repayments were affordable had it done better checks. QuickQuid should put things right if it's likely to have then found that the loan repayments were unaffordable.

QuickQuid says that the checks it made were proportionate. It recorded Mr H's income as being £1,000 in 2013. It didn't record his outgoings until after it approved the last loan (but he was still using the flex credit arrangement). It said it requested a number of reports from credit agencies and calculated from these whether the loans were affordable each time it lent. It's shown us the results from two of the credit checks it did.

### **loans 1 and 2**

For loans 1 and 2 Mr H needed to repay just over £50 a short time after taking them. QuickQuid checked Mr H's income. It also did credit checks and looked at his credit file for both of these loans.

And I haven't seen any further information that shows its likely QuickQuid was made aware of any financial problems Mr H might've been having. Or anything that would've prompted it to investigate his circumstances further.

I think, given the size of the loans in relation to Mr H's income, these checks were proportionate. So given the information QuickQuid had, I think its decisions to lend for loans 1 and 2 were reasonable and I'm not upholding Mr H's complaint about them.

### **loan 3**

Loan 3 was a flex credit arrangement. It had a credit limit of £450 and could be repayable over 10 months. The maximum Mr H would repay, if he borrowed the full amount, would be around £150 in the third month.

QuickQuid asked about Mr H's income but I think it also should've checked if he had enough disposable income to repay the loan. This is because this was Mr H's third loan in a short period of time, he had access to a larger lending amount and the potential repayments had increased. The flex credit arrangement was a longer term commitment.

So to do proportionate checks I think QuickQuid should've looked at things like Mr H's income, against his normal living costs which should include any regular financial commitments he may've had.

I don't think QuickQuid did this. The information it's provided shows that it looked at Mr H's income and some credit reports. But I can't see that it looked at his outgoings at all.

So I've looked at the information provided by Mr H and QuickQuid about his financial circumstances. This includes what Mr H has said, his bank statements, a recent credit report and what QuickQuid recorded about him.

At the time Mr H took out loan 3 QuickQuid recorded Mr H's monthly income as being £1,100. I think it was reasonable for QuickQuid to rely on this. Mr H has said that his normal living costs, and financial commitments, were around £725. His bank statements support this. I think it's likely that Mr H would've given QuickQuid a similar figure if it had asked.

So I think if QuickQuid had carried out proportionate checks it would've seen that loan 3 was likely to be affordable. It would've seen that Mr H had enough disposable income to make the largest repayment.

Mr H has said that he was gambling and I can see from his bank statements that this is the case. But whilst I think QuickQuid's checks didn't go far enough, given the amount and size of the lending, I don't think it should've made the kind of detailed checks - such as looking his banks statements - that would've likely shown the extent of his gambling.

And as the adjudicator said, Mr H didn't exceed his credit limit on the flex credit account and it ended after 9 months. I agree with our adjudicator - there wasn't any indication from the way the account was operated that Mr H might've been in financial difficulties.

So I haven't seen any further information that shows its likely QuickQuid was made aware of any financial problems Mr H might've been having. Or anything that would've prompted it to investigate his circumstances further. It follows that I think QuickQuid's decision to approve loan 3 was reasonable. So I'm not upholding Mr H's complaint about it.

### **my decision**

For the reasons set out above, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 October 2018.

Andy Burlinson  
**ombudsman**