

complaint

Miss S complains that Casheuronet UK LLC – trading as Quick Quid - lent money to her over a number of years without properly checking if she could afford to repay it. She wants Quick Quid to refund the interest and any other charges she's paid on those loans.

background

Miss S took out a number of loans Quick Quid – two in 2011, eight in 2014 and ten in 2015. She explains, and it is clear from her credit file, that she took out short term loans from other lenders during this period.

When Miss S complained to Quick Quid, it said that it had conducted an internal review of customers and the affordability assessments which it had carried out prior to 2014. It told Miss S that she was not identified as someone who could not afford her loans, and so it would not be refunding the interest and charges.

When Miss S brought her complaint to his service, one of our adjudicators looked into matters for her. With the exception of the first two loans – taken out in 2013 – our adjudicator thought that all the loans were unaffordable and that Quick Quid should have known that. She said that Quick Quid should refund all the interest and charges on the loans (except for the first two) and amend Miss S's credit file.

Quick Quid did not agree and the matter was passed to me.

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 intend to depart from the adjudicators view in this matter. Both parties have been told of this and have been allowed the opportunity to make further submissions. I have received further comments from Miss S and these have been considered before making this final decision.

Before they agree any sort of lending, lenders should make sure a loan is affordable and can be repaid on time and without undue difficulty. The checks a lender makes should be proportionate – having in mind, for example, the amount borrowed and the term of the loan. Miss S's loans were all relatively small (the largest was for £600) and short term. So I wouldn't expect Quick Quid to carry out the same level of checks as, say, for a loan of several thousand pounds over a number of years. There's no set list of the checks a lender should make and to some extent it's for them to decide what's appropriate.

Quick Quid has told this service that it carried out an income and expenditure assessment on Miss S as well as a credit check before agreeing to her loans. Had it carried out a full credit search, Miss S says it would have seen that she was in a debt management plan with one account and in arrears on another and therefore, it might have concluded at some point that she would only be able to pay off the loans by borrowing from elsewhere.

It doesn't appear, either, that Quick Quid looked at Miss S's bank statements. Miss S has told this service, and I accept this evidence from her, that she was struggling with a gambling

addiction. Had Quick Quid seen her bank statements it would have seen evidence of this and it might again, have arrived at the same conclusion.

But it doesn't necessarily follow that Quick Quid should have checked Miss S's full credit file or bank statements. As I have indicted, it only had to carry out proportionate checks.

Finally, I do not believe Miss S's position would have been materially different if Quick Quid had declined any of the loans. I think it is reasonable to assume that had it done so, she would have approached – as she did - other lenders.

So, whilst I think that Quick Quid could have done more to check Miss S could afford to borrow as much as she did, overall I do not think her position would have been very different.

my final decision

For these reasons, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 12 October 2016.

Shazia Ahmed
ombudsman