

complaint

Miss E says CashEuroNet UK LLC, trading as QuickQuid, lent to her irresponsibly.

background

I sent Miss E and QuickQuid my provisional decision on 21 March 2019. A copy is attached and it forms part of this final decision. The full background to the complaint is set out in my provisional decision, so I won't reiterate it here. I explained why I was planning to uphold the complaint and what I thought QuickQuid should do to put things right. I asked Miss E and QuickQuid to let me know if they had anything to add.

QuickQuid didn't send me anything else to consider. Miss E said she was happy with my provisional decision.

my findings

I've again considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've taken into account the law, good industry practice and any relevant regulations at the time.

As Miss E accepted my provisional decision and as QuickQuid didn't respond, I see no reason to depart from my provisional findings. So I'm upholding the complaint, for the same reasons as set out in my provisional decision.

putting things right

QuickQuid must:

- write off what Miss E owes it; and
- amend Miss E's credit history to reflect the write off

my final decision

I uphold Miss E's complaint. CashEuroNet UK LLC must put things right by taking the steps set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 12 May 2019.

Matthew Bradford
ombudsman

COPY OF PROVISIONAL DECISION**complaint**

Miss E says CashEuroNet UK LLC, trading as QuickQuid, lent to her irresponsibly.

background

Miss E had six loans with QuickQuid, several of which were topped-up. This means she borrowed extra funds during the course of the loan agreement. I've set out some of the information QuickQuid provided about the loans in the table below.

Loan no.	Amount (£)	Start date	Contractual end date	Actual end date
1	150	08/05/2016	30/06/2016	22/07/2016
2	150	03/08/2016	30/09/2016	25/10/2016
3	150	31/05/2017	28/06/2017	08/08/2017
4	250	27/10/2017	28/11/2017	26/04/2018
4a	100	28/10/2017	28/11/2017	
4b	200	02/11/2017	28/12/2017	
5	100	11/05/2018	18/06/2018	18/06/2018
6	150	02/07/2018	17/08/2018	<i>Not repaid</i>
6a	150	10/07/2018	17/08/2018	
6b	300	05/08/2018	18/09/2018	

An adjudicator considered this complaint and recommended it be upheld in part. He thought QuickQuid was wrong to approve loans 4b, 6a and 6b. QuickQuid didn't agree, so the complaint was passed to me to decide.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've taken into account the law, good industry practice and any relevant regulations at the time.

I hope neither party takes it as a discourtesy, but I do not intend to go into a great deal of detail about the affordability of each individual lending decision in this complaint for reasons which will become clear below.

This service's approach to complaints about short-term lending is set out on our website. But in simple terms, we generally think proportionate checks in the early stages of a lending relationship would be less thorough than towards the end – and less thorough when the amounts lent are small compared to the applicant's income. But this can vary, depending on individual circumstances – and other relevant factors can include repayment difficulties the lender is aware of.

For the first three loans Miss E took out, I don't think it was unreasonable for QuickQuid to rely on what Miss E told it about her income and outgoings and I don't think it was irresponsible to lend to her. Miss E did pay a number of default interest charges on loan 2, but there was then a large gap between loan 2 and loan 3 so I don't think the number of default charges was as significant a factor in the early stages of the lending relationship.

For loans 4 and 5, I think it's less clear whether the lending was responsible or not, given how Miss E managed her accounts. But I don't intend to make a decision on whether loans 4 and 5 were lent responsibly as I think the redress I'm planning to award in respect of loan 6 is fair overall for Miss E's whole complaint.

why I plan to uphold the complaint about loan 6

Throughout her lending history with QuickQuid, Miss E had demonstrated signs of difficulty in repaying her loans. With the exception of loan 5 (the smallest loan) all of her loans were repaid late and Miss E paid a large number of late fees and default interest charges. For loan 3, for example, Miss E paid a late fee and 36 lots of default interest charges. And on loan 4 Miss E paid another 36 lots of default interest – a total of around £170. As can be seen from the table above, loan 4 was repaid four months late.

Miss E went on to make a complaint about irresponsible lending on 26 June 2018 – after repaying loan 5 but before loan 6 was approved. QuickQuid rejected her complaint on 23 July 2018 – it approved two advances before this date and one afterwards. I haven't seen Miss E's original letter of complaint to QuickQuid, but from what Miss E has told us, she considers she was 'stuck in a cycle of borrowing' and was 'dependent' on the loans.

I'm not suggesting QuickQuid needed to automatically take these statements at face value. But looking back at how Miss E had managed her accounts, what she says seems plausible. So I think QuickQuid ought to have realised it wasn't likely to be responsible to lend again so soon after receiving Miss E's complaint.

So I don't think QuickQuid acted responsibly when it approved loan 6 and the top-ups. But, from what I've seen, Miss E hasn't repaid much of the £600 she borrowed – only about £41 as of September 2018. This means I need to think carefully about what fair redress would be in Miss E's case.

This service's approach to redress for irresponsible lending would usually involve asking a lender to write off interest and charges. But in some circumstances, we might tell a lender to write off all the debt. Examples of where we might do this are available on the technical resource section of our website.¹ The examples include where a lender *actually knew* a person was struggling financially when it approved a loan.

As I've set out above, I do think QuickQuid actually knew, from the information it had and what she told it, that Miss E was in financial difficulty.

Taking everything into account, I think fair redress in Miss E's case, in respect of all of the loans she complains about, would simply be to tell QuickQuid to write off what Miss E owes it.

From what I've seen, the write off I'm proposing would be greater than the interest and charges Miss E had paid on loans 4 and 5. So even if I were to direct redress for those too, Miss E wouldn't get anything directly – it would be fair, in her circumstances, for QuickQuid to offset this against the write off. There's therefore no need to consider whether or not loans 4 and 5 were approved responsibly.

In summary, I don't think QuickQuid acted responsibly when it approved loan 6 and in the particular circumstances of Miss E's complaint, I think it's fair QuickQuid write off what she owes it. I consider that would be a fair way to put things right for the entirety of Miss E's complaint.

putting things right

I plan to tell QuickQuid to:

- write off what Miss E owes it; and
- amend Miss E's credit history to reflect the write off

my provisional decision

I'm planning to uphold Miss E's complaint in part and to tell CashEuroNet UK LLC to put things right by taking the steps set out above.

¹ https://www.financial-ombudsman.org.uk/publications/technical_notes/payday-lending-case-studies.html#a