

complaint

Mr M complains that Casheuronet UK LLC (trading as Quick Quid) didn't carry out proper checks and irresponsibly lent him money.

background

Mr M says he took out numerous payday loans with Quick Quid in a 30 month period from 2010. He complains that it didn't carry out proper affordability checks, the loans were unaffordable and the lending was irresponsible. He was in severe financial difficulties and had other loans in arrears, defaults and a County Court Judgement against him. He wasn't using the loans for short term borrowing and was in a cycle of debt. He was taking out a new loan immediately after paying off the old one. He was also using other payday loans to pay these off. He wants a refund of the interest and charges he's paid plus interest and his credit file amended.

Quick Quid says in its final response to Mr M's complaint that it would've conducted credit and affordability assessments on each credit application and extension. It runs various checks, may process a credit check and verifies personal information given. It "*diligently followed*" its processes. It won't refund any interest or charges.

Quick Quid hasn't provided any information to assist our adjudicator's investigations.

Our adjudicator recommended that this complaint should be upheld. She explained that when Mr M first applied for a loan he was only employed on a part time basis. His bank statements show he didn't have any spare money to pay for the loans. Some of the loans were provided soon after a previous one. They weren't affordable. So, Quick Quid should refund the interest and charges paid on all loans plus interest.

Quick Quid hasn't responded to the adjudicator's opinion.

my findings

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

Some of the evidence in this case is incomplete, inconclusive or contradictory. So, I've made my decision based on what I think is more likely to have happened than not.

I agree with the adjudicator's conclusions for broadly the same reasons.

I don't think Quick Quid has shown it carried out any or any proper checks before repeatedly lending to Mr M. Had it done so I think it's more likely than not that it would've seen he was in financial difficulties, had other debts, arrears, defaults and a County Court Judgment against him. He was also only in part time employment and had no disposable income available to pay the loans.

Whatever level of checks, if any, Quick Quid carried out at the time of each loan or top up application I think Mr M's account history should've also alerted it to the fact that he was in financial difficulty, a cycle of debt and reliant on short term lending.

As a result I don't think the loans were affordable or should've been granted. Consequently, I think Quick Quid's lending to Mr M was irresponsible.

Overall, I agree with the adjudicator that it's fair and reasonable for Quick Quid to refund to Mr M all interest and charges he's paid on all loans plus interest.

In addition, as the loans shouldn't have been granted I think Quick Quid should also remove all reference to them on Mr M's credit file.

I also think Mr M has been caused some trouble, upset and inconvenience by Quick Quid's handling of matters and this complaint. I think an award of £100 compensation for this is fair and reasonable.

my final decision

My decision is that I uphold this complaint and I require Casheuronet UK LLC (trading as Quick Quid), if it hasn't done so already:

1. To refund to Mr M all interest and charges he's paid on all loans plus simple interest on each sum at the rate of 8% a year from the date each was paid until the date of settlement;
2. To remove any information on Mr M's credit file relating to all loans; and
3. To pay Mr M £100 compensation.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 12 November 2015.

Stephen Cooper
ombudsman