

**complaint**

Mr G says he shouldn't have been given loans by CashEuroNet UK LLC (trading as QuickQuid because he says these loans were unaffordable for him.

**background**

Mr G took 1 payday loan and one flex credit facility from QuickQuid between January and September 2013. It looks as though Mr G has had some problems repaying his final loan and an outstanding balance remains, which QuickQuid has confirmed has been sold to a third party.

A summary of Mr G's borrowing, based on the information given to us by QuickQuid can be found below;

loan number	loan amount	received date	actual repayment date
1	£200.00	22/01/2013	31/01/2013
2*	£200.00	13/09/2013	outstanding
	£200.00	03/10/2013	

\*this was a flex credit facility which operates differently to a payday loan.

When it investigated Mr G's complaint QuickQuid offered to:

- waive £79.85 worth of fees and charges from the current outstanding balance of £216.85
- offer to set up an affordable repayment plan for the remaining balance (£140) and
- remove any negative information about loan 2 from Mr G's credit file.

Mr G was dissatisfied and QuickQuid's offer and referred his complaint to us. Mr G's complaint was then reviewed by one of adjudicator's who thought that QuickQuid's offer to resolve matters was fair and reasonable and so QuickQuid hadn't treated Mr G unfairly.

QuickQuid appears to have accepted the adjudicator's findings. But, Mr G wasn't happy with this offer.

No agreement could be reached, so the case has been passed to me for a 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. We've set out our general approach to complaints about short-term lending - including all of the relevant rules, guidance and good industry practice - on our website.

Having carefully thought about everything provided, I think that what Quick Quid has already offered to do is fair and reasonable and so I'm not asking it to do any more. I'd like to explain why this this is the case in a bit more detail.

QuickQuid needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice this means that it should have carried out reasonable checks to understand whether

Mr G could repay his loans in a sustainable manner. These checks could take into account a number of different things, such as how much was being lent, the repayment amounts and the consumer's income and expenditure.

Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, the consumer's income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we'd expect a lender to be able to show that it hasn't continued to provide these loans to a customer irresponsibly.

Given the gap in lending of almost eight months between loan 1 and the flex credit account, I consider it reasonable that QuickQuid could treat Mr G's second loan as a new chain of lending, and so QuickQuid could treat Mr G's application afresh.

QuickQuid says it agreed to Mr G's application after he provided details of his monthly income which he declared to be £1,600. QuickQuid also appear to have carried out some sort of credit check before both the payday loan was approved. And, based on what he declared, this information suggested that Mr G would be able to make the repayment he was committing to. And in these circumstances it wasn't irresponsible to provide the payday loan.

I accept that Mr G's actual circumstances may not have been reflected either in the information he provided, or the other information QuickQuid obtained. And Mr G's actual financial position might well have been apparent if further information – such as bank statements or detailed credit checks – had been obtained.

But QuickQuid could only make its decision based on the information it had available at the time. And as it was still in the early stages of a lending relationship (bearing in mind the break between loan 1 and the flex credit facility) and taking into account how long each loan was due to run, with Mr G. I don't think it had reached the stage where there was a greater risk of the loan or the flex credit facility being unsustainable for Mr G. In these circumstances, I don't think QuickQuid needed to take further steps to verify the information provided – such as asking Mr G for evidence of his income and outgoings which QuickQuid could've gathered from his bank statements or other evidence.

I'm only able to uphold a complaint where I can safely say that a lender has done something wrong. And, in this case, I think that QuickQuid carried out reasonable checks even though it looks like the information it might've been provided wasn't reflective of Mr G's actual financial position.

I'd just add that the flex credit facility is different to a payday loan, and I've explained more about this below.

This flex credit loan allowed Mr G to drawdown funds up to a set limit and his repayments would include interest and charges and 10% of either the total principal draw down or 10% of the most recent drawdown. But unlike a payday loan - where the repayments are due usually within one or two paydays the balance of the flex credit account is repaid over a longer period of time, for example 10 months. So because the flex credit account worked differently to a payday loan – QuickQuid needed to take reasonable steps to ensure that Mr G could make the repayments when they became due.

Having looked at the credit agreement, I can see QuickQuid gave Mr G a credit limit of £200. And had Mr G kept to the repayment schedule outlined in the credit agreement then his largest monthly repayment would've been £68.41.

However, based on everything I've seen, I think the offer that QuickQuid has made in order in relation to the flex credit is fair and reasonable and reasonable, and I've explained why below.

Mr G declared the same monthly income (£1,600) as he had done for his first loan. QuickQuid also carried out some sort of credit check, but it hasn't been able to provide me with the results. However, having looked at Mr G's credit file, I don't think there would've likely have been anything on their which would've given QuickQuid cause for concern to either have prompted it to have carried out further, more detailed checks or to have not approved the facility.

I'd like to reassure Mr G that I've considered all the points he has raised. As I'm not able to ask QuickQuid to do any more, other than what it has agreed to do. But I hope that he'll at least feel his concerns have been listened to.

Overall I'm satisfied that what QuickQuid has already agreed to do is fair and reasonable in the circumstances of this complaint. So I'm not requiring QuickQuid to do anything more.

### **my final decision**

For the reasons I've explained, my final decision is that the offer made by CashEuroNet LLC to put things right for Mr G is fair and reasonable in all the circumstances of this case. So I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 November 2019.

Robert Walker  
**ombudsman**