

complaint

Mr C complains that CashEuroNet UK LLC (trading as QuickQuid) was irresponsible to lend money to him.

background

Mr C took out two loans, including tops ups with Quick Quid during the beginning of 2016. He also took out loans with Quick Quid in the years before this – but Mr C only wanted for the loans taken in 2016 to be considered by our service.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And I've thought about everything that both Mr C and Quick Quid say – and looked at each loan in turn and thought about whether it carried out the appropriate checks.

The first loan Mr C is complaining about was taken in February 2016 and it was for £300. Quick Quid gathered some information about Mr C's financial circumstances at the time to see if he could afford to repay the loan. QuickQuid says it checked Mr C's normal income and expenditure before agreeing to this loan. This wasn't the first loan Mr C had taken with QuickQuid. But there had been a substantial amount of time since he last borrowed money from it. So taking this into account, I think the checks QuickQuid did were sufficient. And from the information Mr C gave to QuickQuid, I think it was reasonable for the lender to conclude the loan was affordable.

A month later, Mr C then took out a top up loan of £350 - and this was before he'd finished repaying the previous loan. So thinking about the fact that there was still a remaining balance on the loan, and that it was more than the amount he'd taken before, I think Quick Quid should've done additional checks – perhaps by asking Mr C about any other short term lending commitments. But from the information it's given me, I can't see that QuickQuid asked Mr C for anything more than it had before. If Quick Quid had asked Mr C about his wider financial circumstances, it would've seen that he had several other loans with short term lenders at the time. And once QuickQuid had known this, I don't think would've thought it was appropriate to lend Mr C the money.

In April 2016, Mr C sent Quick Quid an email saying *'I have now settled my loan with the Quick Quid and I would recommend that you did not lend to me again as I am an addicted gambler and to do so would be wholly irresponsible'*.

Quick Quid acknowledged receipt of Mr C's request to not be lent anything more. But this didn't happen. In May 2016, Quick Quid agreed to lend Mr C £500. And he then topped up this loan with a further £300 which it also agreed. I find this is extremely disappointing. QuickQuid should've had details of the email Mr C sent, which would've prevented it from lending him further funds. So I don't think the decision Quick Quid made on this loan and top up wasn't right – and the lending wasn't affordable for Mr C.

QuickQuid was aware Mr C was an addicted gambler. So it also should've been aware that it was likely Mr C would gamble any further funds he'd been lent. This is what happened, and Mr C has been left owing a significant debt to QuickQuid. In the specific circumstances of this complaint, I think it's fair this debt should be written off entirely. Whilst I appreciate this means Mr C has received capital that he hasn't repaid, I think it's reasonable given his earlier request to the lender for his account to be closed.

what Quick Quid should do to put things right

- refund all the interest and charges that Mr C paid on his top up for loan six; and any interest, capital and charges he's already paid towards loan seven and the top up
- pay interest of 8% simple * a year on all refunds from the date of payment to the date of settlement
- waive the outstanding balance for loan seven including the capital borrowed, and any interest and charges applied
- remove any negative information about the loans from his credit file

*HM Revenue & Customs requires QuickQuid to take off tax from this interest. QuickQuid must give Mr C a certificate showing how much tax it's taken off if he asks for one.

my final decision

For the reasons I've explained, I uphold Mr C's complaint.

CashEuroNet UK LLC should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 May 2017.

Helen Giles
ombudsman