

complaint

Ms S says CashEuroNet UK LLC (“CEN”), trading as QuickQuid and Pounds2Pocket, lent to her irresponsibly. Ms S is represented by a claims management company (“CMC”).

background

Ms S had four loans with CEN. I’ve set out some of the details the business provided about these loans in the table below.

Loan no.	Type	Date approved	Date repaid	Amount lent	Highest payment	Late fees?
<i>QuickQuid</i>						
1	payday	21/11/2012	30/11/2012	£350	£432.60	No
2	flexcredit	24/06/2013	10/10/2016	£350 (limit)	<i>variable</i>	6
<i>Pounds2Pocket</i>						
1 Top-up	instalment	22/07/2012 04/04/2013	13/05/2013	£1,200 £745	£188.60 £202.15	1
2 Top-up Top-up	instalment	18/05/2013 04/06/2013 26/08/2013	<i>disputed</i>	£500 £500 £205	£74.68 £149.91 £168.33	4

After the complaint was referred to this service CEN made an offer. It said it would refund the interest on the second top-up of the second instalment loan Ms S had with Pounds2Pocket (*i.e.* the top-up approved on 26 August 2013). It also offered to refund all of the interest Ms S paid on the flexcredit agreement she had with QuickQuid. CEN also said it would remove the negative entries associated with these loans from Ms S’ credit history.

CEN said it would deduct from its offer the unpaid principal amount remaining on the second instalment loan. This would leave an outstanding balance of around £107 – but CEN said it would waive that.

Our adjudicator thought this offer was fair. Ms S disputed that there was an outstanding debt on this loan. After looking into this, our adjudicator didn’t think there was enough evidence to say Ms S had repaid the outstanding debt. So he continued to think CEN’s offer was fair.

Ms S didn’t agree and so the complaint was passed to me to decide. I’ll only be looking at the matter still in dispute – that’s whether the way CEN’s offered to settle this complaint is fair.

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've taken into account the law, good industry practice and any relevant regulations at the time.

In principle, I think the way CEN's offered to settle this complaint is fair. It's offered to refund the interest on a loan facility and top-up it thinks shouldn't have been approved. It will also add interest to this where applicable and remove adverse information from Ms S' credit history. Finally, it will deduct from that the amount it says Ms S still owes it and has also offered to write off the remaining balance as a gesture of goodwill. This is in line with this service's approach to redressing loans which we think shouldn't have been approved – and in fact goes slightly further by writing off a small balance.

So I think the methodology is fair in respect of the complaint about irresponsible lending. And overall, I think the amount CEN has offered to refund to Ms S is fair in terms of the overall lending – it's approximately half of what Ms S paid in interest on her loans. So even if I were to take a different view on which loans should or shouldn't have been approved, I don't think the financial effect of any award I might make would be likely to be very different.

But Ms S has at one point disputed the existence of an outstanding debt with CEN. And she's unhappy CEN didn't do more to remind her of this debt, which originates from a loan she first took out in 2013. So I've considered whether CEN needs to do more than it's offered with this in mind.

From the evidence I've seen, I think it's likely Ms S didn't repay CEN everything she originally owed. From when Ms S topped up her second Pounds2Pocket loan in August 2013 until July 2014 CEN has no record of a payment being made. I've then seen that payments which were much less than the contractual payment were made between August 2014 and August 2016. The payments made in this period total less than £300. This left a balance of £1,290 outstanding. CEN has provided a screenshot showing the status of the debt as 'charged off' so it seems CEN may have decided at some point to not pursue Ms S for the remaining balance.

If this is right, I think it would've been helpful for CEN to communicate this decision clearly to Ms S. From the correspondence it has provided, I can't see that it did this. And this has created some confusion further down the line. But I don't think a failure to communicate any decision to not pursue the debt would mean Ms S didn't owe CEN anything. So I think it would still be reasonable for CEN to deduct the outstanding debt amount from the offer it has made to Ms S. To be clear, CEN has removed some of the interest from the outstanding debt as part of its offer.

CEN also offered to write off the remaining balance left after working out the above redress. This would mean Ms S would no longer owe CEN anything and would draw a line under the matter. Overall, I think this offer is fair.

Ms S has asked whether the debt is statute barred. This is something only a court could decide, so I make no comment on the matter.

I know Ms S has some concerns the way CEN wants to put in place its offer could leave her with a balance to pay her CMC. But ultimately, the decision to appoint a third party was Ms S', not CEN's. I don't think it would be fair for me to say CEN should make a different offer because of Ms S' decision to appoint a third party.

So having considered everything, I think CEN's offer is a fair way to resolve this complaint.

my final decision

My final decision is that the offer CEN has made to settle this complaint is fair. CashEuroNet UK LLC must do what it's offered if Ms S accepts this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 26 October 2018.

Matthew Bradford
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