

complaint

Miss M and her representative complain that Casheuronet UK LLC (trading as Quick Quid) didn't carry out proper checks and her payday loans weren't affordable.

background

Miss M took out 16 payday loans in about 17 months with Quick Quid. She says that at the time of all the loans she was in an Individual Voluntary Arrangement ("IVA") and had no disposable income. It didn't carry out proper checks, the loans were unaffordable and shouldn't have been granted. Miss M was dependent on payday loans.

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

Our adjudicator thought we'd enough evidence from Miss M to show what happened. She recommended that this complaint should be upheld. She considered that loans weren't affordable and shouldn't have been granted. So, Quick Quid should refund the interest and charges paid on all loans plus interest. It should also remove reference to all loans from Miss M's credit file.

Quick Quid didn't respond to the adjudicator's opinion until it recently made an offer to refund £800 to Miss M.

Miss M doesn't want to accept this offer as she doesn't know how it's made up.

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 Miss M. Had it done so I think it's more likely than not that it would've seen she was in an IVA, had financial difficulties and it wouldn't have granted the loans.

Whatever level of checks, if any, Quick Quid carried out at the time of each loan application I think Miss M's history of taking out repeated loans roughly every month should've also alerted it to the fact that the loans may have been unaffordable and she was reliant on short term lending.

Consequently, I think Quick Quid's lending was irresponsible.

Overall, I agree with the adjudicator that it's fair and reasonable for Quick Quid to refund to Miss M all interest and charges she's paid on the loans plus interest. And as the loans shouldn't have been granted it should remove all reference to them on Miss M's credit file.

I also think Miss M has been caused some upset and inconvenience by Quick Quid's handling of matters and this complaint. I think an award of £50 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 Miss M all interest and charges paid on her 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 all information on Miss M's credit file relating to all loans taken out; and
3. To pay Miss M £50 compensation.

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

Stephen Cooper
ombudsman