

## **complaint**

Mr S complains that a series of loans and a credit account were approved by CashEuroNet UK LLC in an irresponsible way. It traded as QuickQuid.

Mr S is represented by a third party.

## **background**

A loan table appears at the end of this decision which is a brief summary of the approved loans.

One of our adjudicators looked at this complaint. His view was that from the second top-up approval decision of Loan 5 (which appears on the table as Loan 5.2), QuickQuid ought to put things right.

Mr S' representative acknowledged the view and has added nothing more. So from that it seems that Mr S is content with our adjudicator's view. So I have not reviewed Loans 1 to 5.1 as it seems that these are not in dispute as non-upholds.

QuickQuid disagreed but what it has sent to us in September 2018 I have discounted, as it does not appear to relate to this complaint. So I don't know why it disagreed. I do have the submissions from QuickQuid from February 2018 though, which I have taken into account.

The loans still in dispute are Loans 5.2 to 8.1 and it is these I have reviewed in this decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have taken into account the law, any relevant regulatory rules and good industry practice at the time the loans were offered.

Before lending money to a consumer, a lender should take proportionate steps to understand whether the consumer will be able to repay what they are borrowing in a sustainable manner, without it adversely impacting on their financial situation.

A lender should gather enough information for it to be able to make an informed decision on the lending. Although the guidance and rules themselves did not set out compulsory checks, they did list a number of things a lender could take into account before agreeing to lend. The key element was that any checks needed to be proportionate and had to take into account a number of different things, including how much was being lent and when the sum being borrowed was due to be repaid.

## **Loan 5 second top-up**

By the time Mr S was applying for Loan 5.2 in late January 2016 he had been borrowing from QuickQuid for almost two years. I agree with the adjudicator where he has explained that by this stage of the lending relationship, QuickQuid ought to have been carrying out a full review of Mr S' financial situation.

This second top-up approval meant that Mr S' repayments were high. He had repayments due of £111.60 in February 2016, £130.20 in March 2016 and £655.20 in April 2016.

Looking at Mr S' income, expenditure and regular financial commitments from around this time, I think that after he had repaid the highest repayment of just over £655, he would have been left with very little – about £86.

I uphold Mr S' complaint in relation to the second top-up for Loan 5, as I don't think it was sustainably affordable.

### **Loans 6 to 8**

In my view I think that a full financial review of Mr S' financial situation ought to have been carried out for Loan 6 and for each of the loans following. That could have included reviewing any bank statements for Mr S but this was one method of doing this and was not the only method.

Mr S took out his sixth loan in July 2016 and his monthly income was £1,470. He was spending £334 towards his normal living costs and £476 towards his regular financial commitments. This translates into around £660 in disposable income so this would not have been enough to meet the highest loan repayment of £744.

Looking at Mr S' statements I can see multiple transactions towards online betting companies, and the month before this loan was taken, he was spending around £2,578 towards this. So, I think this should've alerted to QuickQuid as to whether he could meet his repayments sustainably.

Mr S' situation remained broadly the same and included gambling transactions. And so overall I think that if QuickQuid had carried out the full review I would have considered to have been the proportionate approach to these loans, it would have realised that Mr S could not afford to repay the second top-up on loan five, or the repayments on loans six to eight.

I uphold Mr S' complaint in relation to Loans 6 to 8 including the top-ups on each.

### **putting things right**

Because QuickQuid, should not have given Mr S the loans he took, it's not right that Mr S should have to pay interest or charges on these, or have them affect his credit file in a negative way. So I think it should do as follows:

- refund any interest and charges already paid by Mr S in respect of the second top-up of Loan 5 (approved January 2016) and those paid on Loans 6, 7 and 8 including those top-ups;
- apply 8% simple interest per year to any interest and charges refunded from the date they were paid to the date of settlement\*;
- remove any adverse payment information about the loans from Mr S' credit file.

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

**my final decision**

My final decision is that I uphold Mr S' complaint in part and direct that CashEuroNet UK LLC, trading as QuickQuid, put things right in the way I have said above.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 24 July 2019.

Rachael Williams  
**ombudsman**

## Loan table in brief

<b>Loan number</b>	<b>Date taken</b>	<b>Date repaid</b>	<b>Loan amount</b>	<b>Monthly instalment</b>
1 (FlexCredit account)	23 February 2014	19 December 2014	£400	£122.32 – highest repayment amount due
2	6 February 2015	20 April 2015	£200	£22.40 due in February £244.80 due in March
3	28 May 2015	18 September 2015	£100	£15.84 due in June £122.32 due in July
3.1	28 June 2015	18 September 2015	£125	£267.12 due in July
4	26 September 2015	20 November 2015	£150	£25.92 due in October £183.48 due in November
5	30 December 2015	21 April 2016	£200	£33.60 due in January £248 due in February
5.1	12 January 2016	21 April 2016	£125	£41.60 due in January £403 due in February
5.2	29 January 2016	21 April 2016	£200	£111.60 due in February £130.20 due in March £655.20 in April
6	18 July 2016	20 October 2016	£600	£153.60 due in August £158.40 due in September £744 due in October
6.1	13 September 2016	20 October 2016	£100	£164.80 due in September £868 due in October
7	21 October 2016	22 February 2017	£500	£124 due in November £120 due in December £620 due in January
8	4 May 2017	18 July 2017	£300	£33.60 due in May £69.60 due in June £376.80 due in July
8.1	9 May 2017	18 July 2017	£125	£42.60 due in May £98.60 due in June £533.80 due in July

Shaded grey loans are the ones recommended to be upheld by our adjudicator.