

## complaint

Mr L says CashEuroNet UK LLC (trading as Quick Quid) was irresponsible to offer him loans he couldn't afford. Mr L is represented by a claims management company. He asks that Quick Quid pays compensation and removes the loans from his credit file.

## background

Mr L took out three loans with Quick Quid as follows:

Loan number	Date of loan	Amount of loan	Highest instalment	Date repaid
1	14 July 2016	£200	£248	30 September 2016
2	2 October 2016	£800	£992	13 January 2017
3	8 March 2017	£300	£367	30 April 2018

The adjudicator recommended that the complaint should be upheld, saying:

- Quick Quid should have made more checks before the first loan. Mr L said his net monthly income was £1,200 and his outgoings were £281. While Quick Quid should have queried some of the outgoings, it was likely the information it received would have suggested the loan was affordable.
- Given Mr L's stated monthly income and expenditure and the repayment for loan 2, Quick Quid should have asked for information to get a full picture of his financial circumstances. It should have made similar checks before loan 3. Had it done so, it would have known the repayments for loans 2 and 3 weren't affordable.

The adjudicator said Quick Quid should refund interest and charges, with 8% interest, on loans 2 and 3 and remove negative information about them from Mr L's credit file. Quick Quid didn't agree. It said it had already provided evidence the loans were offered responsibly.

## my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

When Mr L asked for the first loan he told Quick Quid his monthly income was £1,200 and his expenditure (on rent, utilities, transport, food, credit commitments and other) was £281. Some of Mr L's stated expenditure – such as the amounts stated for rent and utilities – could have prompted Quick Quid to query this with Mr L. But I don't think if it had Mr L would have provided information that was very different. I think, based on the information he'd likely have given Quick Quid, it would have assessed the loan as affordable.

When Mr L applied for loan 2 he said his monthly income was £1,200 and his expenditure was £280. This would have left him with £920 to meet the loan repayments. The highest loan repayment due was £992. I don't think it was reasonable for Quick Quid to assess loan 2 as affordable.

Mr L gave the same information about his income and outgoings to Quick Quid when he applied for loan 3. I think, given the amount of the highest repayment and Mr L's income and that this was Mr L's third loan Quick Quid should have carried out further checks. I think it should have asked for information to gain a full understanding of his financial circumstances. While there are different ways of doing this one is to look at his bank statements, as I've done.

Mr L made payments to other short term lenders totalling about £980 in the week before he took out loan 3. Some of these lenders commonly offer instalment loans and there are payments of about £780 to the same lenders at the beginning of April 2017. I think these repayments are for loans that were outstanding when Quick Quid offered loan 3. There are a number of payments to gambling businesses. I think Quick Quid should have considered whether Mr L was borrowing to meet repayments for existing debts and a possible gambling problem. I don't think further borrowing was affordable or sustainable and Quick Quid would have known this if it had made proportionate checks.

I don't think Quick Quid should have offered loans 2 and 3 to Mr L. So for each of those loans Quick Quid should:

- Refund all interest and charges that Mr L paid on the loans;
- Pay interest of 8% simple a year on all refunds from the date of payment to the date of settlement\*;
- Remove any negative information about the loans from Mr L's credit file.

Quick Quid has given inconsistent information about whether loan 3 was repaid. If there's an outstanding balance, Quick Quid should write off any unpaid interest and charges relating to loans 2 and 3. It can then, if it chooses, apply the refund to reduce any capital outstanding before paying any balance to Mr L. But before doing so it must provide Mr L with a clear and detailed statement showing all transactions on the loan that have resulted in the outstanding balance.

\*HM Revenue & Customs requires Quick Quid to take off tax from this interest. It must give Mr L a certificate showing how much tax it's taken off if he asks for one. If Quick Quid applies the refund to reduce any outstanding capital balance, it must do so after deducting the tax.

### **my final decision**

My decision is that I uphold this complaint. I order CashEuroNet UK LLC to take the steps and pay the compensation set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 September 2018.

Ruth Stevenson  
**ombudsman**