

## **complaint**

Miss L complains that Casheuronet UK LLC (trading as QuickQuid) wrongly lent her money she couldn't afford to pay back.

## **background**

Miss L took out three loans with QuickQuid. Miss L says if QuickQuid had carried out proper checks, it would've found out she relied on payday loans and was in financial difficulties. Miss L says she rolled the first loan over twice before repaying it. Miss L wants QuickQuid to repay the interest applied to the first and second loan. She wants QuickQuid to write off all interest and charges on the third loan and apply the interest refund to the outstanding balance. Miss L was also unhappy with the way QuickQuid had pursued her for repayment of the final loan.

QuickQuid doesn't agree that it acted irresponsibly. It says it carried out credit checks and an affordability assessment.

Our adjudicator recommended that Miss L's complaint be upheld in part. He didn't consider QuickQuid had acted irresponsibly when it agreed the first two loans. But he considered the final loan was unaffordable. He recommended that QuickQuid remove the third loan from Miss L's credit file and tell the debt collection company to remove any recorded information. He asked QuickQuid to remove any interest charges and late fees from the outstanding balance and cover any charges or interest the debt collection company have applied to the balance.

QuickQuid doesn't agree with our adjudicator's recommendation. It says it complied with the recommendations of the Office of Fair Trading in force at the time. It says Miss L only told it about her financial difficulties after she was in arrears for a number of months.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusions of our adjudicator.

I've looked at Miss L's credit reports and statements. From October 2010 onwards, Miss L took out a number of short term loans with various lenders, including QuickQuid. It looks as though Miss L had become reliant on short term lending to make her regular payments. By the time Miss L took out the third loan, I think QuickQuid should've realised it was unaffordable.

I say this as Miss L had to extend the first loan so that she could repay it. She took a second loan shortly after repaying the first. Although Miss L repaid the second loan on time, when she took out the third in April 2011, it was for double the amount of the original loan. QuickQuid carried out a credit check in April 2011 but I don't consider this was enough. If QuickQuid had asked for bank statements, I'm sure it wouldn't have agreed to lend her more money.

I can also see Miss L exceeded one of her credit card limits each month from February 2011. Miss L had another credit card account that was frozen in mid-2009 with an outstanding balance of over £2,800. Miss L hadn't made any payments towards the balance

since January 2010. Another credit card account defaulted a few months after Miss L took out the third loan with QuickQuid. Overall, the picture is of someone who wasn't managing their finances. I consider QuickQuid should've done more to assess affordability before agreeing the final loan.

Miss L had the benefit of the money so I think it's fair she repays it. But I agree with our adjudicator that QuickQuid should remove all charges and interest applied to the third loan. QuickQuid should also remove all information recorded on Miss L's credit file that relates to the third loan.

As QuickQuid sold the third loan to a debt collection company, it should make sure the debt collection company removes any adverse information it has recorded on Miss L's credit file. QuickQuid should also cover any charges or interest the debt collection company has applied to the third loan over the original principal amount.

If QuickQuid needs to bring the debt back in house to comply with my directions, it should do so. And if it does this, I would expect QuickQuid to treat any request to repay the debt by instalments, reasonably and fairly.

### **my final decision**

My final decision is that I uphold this complaint. In full and final settlement, Casheuronet UK LLC should do the following:

1. Remove all interest and/or charges applied to the third loan and tell the debt collection company that it has done this
2. Remove any information recorded on Miss L's credit file about this loan.
3. Instruct the debt collection company to remove any information it has recorded on Miss L's credit file about the third loan
4. Cover any charges the debt collection company has applied to the third loan over the original principal amount.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 26 September 2016.

Gemma Bowen  
**ombudsman**