

## **The complaint**

Mrs S complains that Chetwood Financial Limited (trading as “LiveLend”) are unfairly holding her responsible for a £12,000 loan she says she didn’t apply for.

## **What happened**

The details of this complaint are well known to both parties, so I won’t repeat everything again here. In brief summary, Mrs S fell victim to a cryptocurrency investment scam with Traderschool (“the scammer”) in June 2022. As part of the fraud, she says the scammers impersonated her in order to apply for five different loans, including one for £12,000 with LiveLend in Mrs S’s name.

The funds were paid into Mrs S’s account and then transferred on to the scammers, but Mrs S said she had no knowledge that the funds she was transferring had been received from a loan company. As she didn’t apply for the loan, Mrs S complained that LiveLend should not hold her responsible to repay any part of the debt.

LiveLend said that it would remove the loan from Mrs S’s credit file, and also that she would not be bound by the terms and conditions of the credit agreement. However, it said it would still be holding her liable to repay the debt given the funds were received into her account and transferred on by her.

Our investigator didn’t uphold the complaint. He thought that Mrs S either knew or ought reasonably to have known that loans were being applied for and being paid into her account. So, although she didn’t benefit from the money, he didn’t think it would be fair and reasonable to ask LiveLend to write off the loan.

## **What I’ve decided – and why**

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 reached by the investigator for the following reasons:

- LiveLend says that as part of its application process, it asks knowledge-based authentication questions relating to the applicant’s credit file, which only Mrs S could have known. It said it would have asked five questions such as the month and year her mortgage was opened, or what her credit limit was on credit cards, and that all these questions would have to be answered correctly in order for the loan to be approved.
- I’ve not seen any evidence to show that Mrs S was asked questions by the scammer about other forms of credit she held in any of the WhatsApp conversations she has provided. She has also said that she did not provide any details about her mortgage, previous address, or credit cards, so it’s not clear how anyone else would have been able to answer these questions correctly. She said that the scammers did have access to her computer when using AnyDesk, which included her banking app. But this still

wouldn't explain how a scammer would have been able to obtain information relating to her entire credit file. So there doesn't appear to be a plausible explanation for how the scammer would have known this information without Mrs S providing it.

- Mrs S says she was told that the money being paid into her account was money from the trading platform. She was told that she would have to transfer this money back as this was "how the system works". However, simply being told that this is how the system works doesn't seem to be a plausible enough reason to readily accept why money would be put into her account for her to then transfer it straight back to the scammer.
- Mrs S would have seen that the money coming into her account had been credited by "LiveLend Loan" (as it appears on her statements), which would clearly indicate that the money was part of a loan. There was nothing to suggest that it had come from any Bitcoin trading platform, and given the lack of explanation given by the scammer, she could have also made some simple enquiries to find out whether it was a loan or not if she wasn't sure.
- Having considered all the circumstances, I think Mrs S ought reasonably to have known that the money she had received and was transferring to the scammer were the proceeds of a loan, which she would likely need to pay back given it had been paid into her account. I accept it's possible she may not have known a loan was being taken out, and LiveLend has also acknowledged this by removing the loan from Mrs S's credit file and saying she wouldn't be bound by the credit agreement. I also accept that she didn't benefit from the funds as they were transferred to the scammer. But given she ought reasonably to have been aware that the money she was transferring was part of a loan, I don't consider it would be fair and reasonable to ask LiveLend to write off the debt in these circumstances.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 2 November 2023.

Jack Ferris  
**Ombudsman**