

The complaint

Mr R complains about a fixed sum loan agreement with Clydesdale Financial Services Limited trading as Barclays Partner Finance, which was taken out in his name.

What happened

In November 2021, an online application was made in Mr R's name for a fixed sum loan with Clydesdale. The application was approved and the loan used to pay for a dining table and six chairs.

The dining furniture was supplied by a retailer, who I'll call X. A feature of the fixed sum loan agreement was that repayments would start, once Clydesdale had transferred funds to X.

A few days after the finance application was approved, X delivered the furniture to Mr R's partner's address. The dining furniture was made up of several items and Clydesdale's records show that it was delivered in five separate boxes. At the time of the delivery, Mr R says he was renovating his home and had temporarily changed his address to his partner's.

However, despite the delivery being completed on November 2021, Clydesdale didn't pay any funds to X until April 2022. This meant Clydesdale didn't start to take the repayments from Mr R's account, until six months after the agreement had been approved.

Mr R says that he noticed the repayments to Clydesdale leaving his account in September 2022 and took action cancel the direct debit. He says he had other payments leaving his account to Clydesdale, which meant he didn't spot the payments for the furniture.

After cancelling the direct debit with Clydesdale, Mr R made a successful indemnity claim to get back the four previous payments he had made. He also raised concerns with Clydesdale that an unknown third party had applied for the finance, without his knowledge or authority.

Clydesdale sent Mr R a form, which asked for information to enable them to start an investigation. But, as it wasn't returned, Clydesdale closed their investigation and continued to hold Mr R responsible for the balance of the fixed sum loan agreement.

Mr R didn't accept Clydesdale's response and in April 2023, he told them he'd been the victim of fraud. In their reply, Clydesdale said all of the personal information included on the application for the fixed sum loan, matched with Mr R's details. So, they were satisfied that he had applied for the finance. Mr R didn't accept Clydesdale's response and brought his complaint to us.

One of our investigator's looked into Mr R's case and found that Clydesdale had treated him fairly. She concluded that Mr R's address, bank account details, and his personal information were used in the application. She said Clydesdale had sent emails and a text message to Mr R, when the loan was approved. The investigator was also persuaded that Mr R had taken delivery of the five boxes from X, based on the delivery records.

Mr R disagreed and said he hardly uses the email address on Clydesdale's records. He also

said he didn't receive the delivery from X and that there is a high level of fraudulent crime in the area where the furniture was delivered to.

The investigator didn't change her conclusions and Mr R's case has now been passed to me to make a final decision.

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.

I first want to say I'm sorry to hear about the difficult personal circumstances Mr R has told us about. I acknowledge how they impact his day to day life. I'd like Mr R to know that I've thought very carefully about what he's told us, about his circumstances, when looking into his case against Clydesdale.

I also want to explain that where the evidence is incomplete or inconclusive, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

The dining furniture was paid for using a fixed sum loan agreement. This is a regulated consumer credit agreement, and our service is able to consider complaints relating to these sorts of loans. However, Mr R says he didn't take out the fixed sum loan agreement and he doesn't have the furniture supplied by X.

Clydesdale have provided us with their records from the application made in Mr R's name. I can see from those records that Mr R's personal information, his postal address and his email address were used to complete the application.

Additionally, Mr R's mobile telephone number and his bank account details were included within the application. The records also show that Clydesdale performed a credit check, which makes it clear that Mr R had changed his address to that of his partner's.

Having thought about the application, I can see that all the information Clydesdale used matched with Mr R's details. In all the circumstances, I don't think this would have raised any suspicion with Clydesdale, that a third party had applied for the loan fraudulently. However, I acknowledge where Mr R says how a fraudster could obtain some of this information. So, I've considered the correspondence Clydesdale sent to Mr R about the fixed sum loan agreement.

Clydesdale's records show they sent three emails in total to Mr R, all to the same email address that he has used to correspond with us. Two emails were sent to him in November 2021, one to confirm the application details and the other to say the loan was approved. The third email was sent to Mr R in April 2022, when Clydesdale had paid the funds to X.

The contact log from Clydesdale also shows where they sent a text message to Mr R, later in April 2022, to confirm when payments would be taken from his bank account. The mobile telephone number used for the text message is the same as Mr R has used in his dealing with us.

Having thought about all the evidence here, I think Clydesdale have used the correct contact details for Mr R. I acknowledge where Mr R says he rarely uses the email address I've referred to, and that he cannot remember receiving a text message from Clydesdale. But, I think it would be unusual for an unknown third party, to have used Mr R's correct contact details, if looking to obtain goods without paying for them.

Overall, I'm not persuaded that Mr R wasn't made aware by Clydesdale, that the fixed sum loan had been opened in his name. So, I've gone on to consider the evidence about delivery of the dining table and the six chairs.

The records provided by X to Clydesdale show where five separate packages, totalling 135kg in weight, were delivered to Mr R's partner's address in November 2021. The signature on the delivery note also clearly shows Mr R's surname.

Mr R has told us that due to building work being carried out at his previous address, he had changed his address to his partner's, around the same time as the delivery. So, I'm satisfied that the dining furniture was delivered to the correct address. I also think the type of goods delivered would be considered heavy or bulky, compared to other items such as clothing or a mobile telephone.

I accept what Mr R says about the high level of crime, in the area of the delivery address. But, having considered all the evidence, the description of the dining set and the possibility of a fraudster intercepting the goods at Mr R's address, I'm not persuaded Clydesdale have reached an unfair conclusion here.

The statement of transactions for the fixed sum loan, show that Mr R made payments of £63.89 to Clydesdale in May, June, July and August 2022. I've thought about the cost of the monthly repayments and the four month period where they were taken from Mr R's account.

Having done so, I don't think the repayment amount is insignificant, compared to the other payments Mr R regularly made to his other borrowing. So, I'm persuaded that Mr R ought reasonably to have been aware that he was making repayments towards a different loan.

I acknowledge that Mr R says he finds it difficult to monitor individual transactions leaving or being credited to his account. But, I don't think this means he wasn't made aware that new repayments were debiting his bank account.

I've found that all the details on the application match Mr R's personal information and that four repayments were made towards the agreement from his bank account. Additionally, Clydesdale have shown where they wrote to Mr R during the application and again, just before the payments started. Furthermore, X's records show where five separate boxes were delivered and signed for at the address Mr R was using.

On balance, I don't think Clydesdale are acting unfairly by deciding that the most likely thing to have happened, is that Mr R took out the fixed sum loan agreement. Therefore, I don't find I have the grounds to direct Clydesdale to stop pursuing Mr R for the outstanding debt owed under the loan.

I'm aware that following my findings, Clydesdale or their representatives, may start to contact Mr R to make arrangements for the repayment of the balance of the loan. In doing so, I remind Clydesdale of their responsibility to treat Mr R's financial circumstances with due consideration and forbearance.

This may mean, amongst other things, Clydesdale carefully considering Mr R's income and expenditure to put together an affordable repayment plan with him.

My final decision

My final decision is that I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or

reject my decision before 16 November 2023.

Sam Wedderburn
Ombudsman