

## The complaint

Mrs V complains that Zopa Bank Limited held her responsible for a loan she didn't take out.

## What happened

Mrs V disputes taking out a loan of £25,000 from Zopa Bank in June 2017. She suspects that this was taken out fraudulently by a friend of hers.

Zopa said it hadn't made any mistake. The address used in the loan application was one Mrs V had an association with. The bank account used to receive the loan funds was one that matched Mrs V's details. Calls had been made in 2018 about the loan payments which it said were a voice match to Mrs V. There was nothing to support her details being compromised.

Our investigator didn't recommend that the complaint be upheld. She said she had received direct information from the financial business holding the account the money was credited to. There was no fraud claim about this account, contrary to what Mrs V had told Zopa Bank. Those account details matched to information used on the Zopa Bank application. There were repayments made to the loan until May 2019. Mrs V had a role at a company with the same registered address as used for the loan and bank account. And the call recordings provided by Zopa Bank from 2018 and 2022 sounded similar but our investigator said she isn't a voice expert.

Mrs V is represented in this complaint and didn't agree. She said that the calls in 2018 were made by her friend and only the accents were similar. The email used was one her friend had. The loan application stated that she owned a property outright, but she had a mortgage as shown on her credit report at the time. She wanted an ombudsman to review the complaint.

## 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 won't be able to say *exactly* what happened and I'm thinking about what is most *likely*.

I note that Mrs V accepts that she agreed to have a role in a company and says this related to her friend's business. I can see from publicly available information that she became a director in July 2016 and was also later named on a confirmation statement as the sole shareholder. The company was in existence until 2019.

The postal address of that company was one used for a current account with a financial business in Mrs V's name that was opened in November 2016. The disputed loan was taken in June 2017 and paid into that account and then the money paid out. Not all the loan repayments were made and there were calls I've listened to about payment plans and then a default on the loan in 2018. Mrs V has provided evidence she had taken a residential mortgage at a different address in October 2016. She says she found out about the Zopa

Bank loan when a third party who had bought the debt contacted her by a letter she's provided sent to that address on 11 November 2021. She has reported this matter to police, and she has provided some messages she says are from the friend although using a different name.

Our investigator asked Mrs V for details of the business arrangements with her friend. She responded that there was no written agreement and she only mentioned it verbally and requested her passport. I've seen the information from the financial business that operated the current account. There has been no report of fraud investigated and this was considered to be a genuine account. The address was never changed there. One small payment seemed to have been made to Mrs V from the account in September 2017.

The details for the Zopa Bank application used the same address as the company and were consistent with those held by the other financial business operating the current account.

Neither Zopa Bank nor Mrs V have provided any expert analysis of the voice recordings. I'm not in a position to make a finding that the person calling in 2018 was the same as the one in 2022 and that both were Mrs V. What I can say though is that I agree that it would be unlikely for a fraudster to continue to make repayments to a loan account. And when there were financial difficulties to discuss these in detail with Zopa Bank a number of times in 2018 and agree to and keep up with payment plans.

The credit report provided by Mrs V shows her association with the address used in the loan application and a default on this loan in July 2018.

The evidence is that Mrs V willingly entered into some sort of business arrangement with the person she says has defrauded her. The evidence is also that the account at the other financial business was most likely a legitimate one and there has been no fraud claim about that. Mrs V was recently able to obtain bank statements without issue for that account. There has been no outcome of proven fraud from any police investigation based on Mrs V's explanation of what happened. Taking into account this background and what is known about the loan application, payment history and calls I'm not persuaded that I have sufficient to find it's most likely that Mrs V was the victim of identity theft and fraud. So, I conclude that it was reasonable for Zopa Bank to hold her responsible for the loan. I can appreciate that she will be very disappointed given what is at stake for her.

## **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 13 September 2023.

Michael Crewe  
**Ombudsman**