

## **The complaint**

Miss M complains that Barclays Bank UK PLC is unfairly holding her responsible for repayment of a Bounce Back Loan (BBL).

## **What happened**

In March 2020, a business bank account with Barclays was opened in the name of Miss M. The account also had a business trading name.

In May 2020 a successful application for a £12,500 BBL was made, giving both Miss M's name and the business trading name. Barclays paid the loan funds into the business bank account.

Barclays closed the business bank account in June 2020 after another bank reported that the account had received fraudulent funds, unrelated to the BBL. By this time, all the BBL funds had left the account – some of the money had been transferred to other accounts, some had been withdrawn in cash, and some had been used for retail payments by card.

Repayments on the BBL were due to begin in June 2021, but none were made. Eventually Barclays declared the loan in default in November 2021. Miss M then contacted the bank and said she didn't have a business, hadn't opened a business account, and hadn't applied for a BBL. After an investigation, Barclays concluded Miss M had knowledge of the account and the loan and she was responsible for the repayment of the debt.

In September 2022 Miss M formally complained to Barclays. The bank didn't change its position, and Miss M referred her complaint to us.

Our investigator looked at the evidence and didn't recommend that the complaint should be upheld. She said she wasn't persuaded that the bank account and the BBL were opened without Miss M's knowledge.

Miss M didn't agree with the investigator and asked for an ombudsman to review the case. She said she believed she'd been a victim of identity theft. She said that when the bins were full, she'd put out two bags of papers and unopened letters which could have been taken by someone to gather her personal information. She also said that at one point she misplaced her house keys and purse, which were later returned, so anything could have happened during that time.

## **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 that, I've reached the same conclusion as the investigator. I don't believe the bank account and the BBL were opened without Miss M's knowledge or consent. I'll explain why.

The evidence shows that when the Barclays business bank account was opened, Miss M's passport and her Santander account statements were used to verify the account opening. Whoever opened the account therefore possessed Miss M's passport and Santander statements.

Miss M says that she left papers next to the bins and someone may have used them to steal her identity, and that anything could have happened when she lost her keys and purse. But I think it highly unlikely that an unknown fraudster who took papers left as rubbish would then have been lucky enough to come across Miss M's lost keys and purse, especially as they were later returned to her. But even if it were possible for a fraudster somehow to have obtained Miss M's personal and financial details, passport and Santander account statements, there are other facts in this case which don't, in my view, fit with an unknown person being responsible for opening the business account and the BBL.

The account application used Miss M's genuine address and phone number, matching those she has supplied to our service. Barclays' communications by post would therefore have gone to Miss M's home. This includes all statements and correspondence about the bank account and the BBL, from March 2020 onwards. But it was only in November 2021, when the bank sent the BBL default notice, that Miss M first spoke to the bank and said she hadn't opened the business bank account or BBL.

Miss M says she threw away the bank's letters unopened because she believed they were sent to her address by mistake. But I note that nearly all the correspondence about the business account and the BBL was addressed to her own name, not simply to the trading name of the business. I can see no convincing explanation why Miss M would have ignored all of Barclays' letters to her about the bank account and the BBL for over 18 months, including the notice of account closure after the receipt of fraudulent funds in June 2020.

Moreover, there was a payment of £390 made from the Barclays account to Miss M's Halifax account, before the BBL was set up. Miss M hasn't queried this credit to her Halifax account. Later, after the BBL was set up, two further payments were made from the Barclays account to Miss M's Halifax account – £2,425 and £500, both in May 2020. Again, Miss M hasn't challenged these credits.

I think these payments are important for two reasons. First, Miss M received money from the disputed business bank account into one of her own personal accounts without querying it, which doesn't suggest she was ignorant of the business bank account. And secondly, whoever opened the business bank account and the BBL then chose to transfer nearly a quarter of the BBL funds to Miss M's personal account, which seems a highly unlikely action for an unknown third-party fraudster. Miss M clearly benefited from at least a proportion of the BBL borrowing.

Taken all together, the evidence doesn't, in my view, support a version of events in which a third party applied for the business account and the BBL without the knowledge or consent of Miss M.

For the above reasons, I don't think Barclays has acted unfairly or unreasonably by requiring Miss M to repay the BBL.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 12 December 2023.

Colin Brown  
**Ombudsman**