

complaint

Mrs R is unhappy that Zopa Bank Limited is holding her liable for a personal loan she says she didn't take out.

Background

In 2021, Mrs R fell victim to an investment scam. She was looking for investment opportunities online and found a company that appeared to be endorsed by a well-known media personality. She entered her details on that company's website and received a call from someone who persuaded her to invest her money. That call wasn't from a genuine investment manager, but a fraudster.

The fraudster told Mrs R that, in order to help her with the process of making her investments, she should download a piece of remote access software. This enabled the fraudster to take control of her computer and show her how to carry out the steps he said were necessary to make the investments.

She says that the fraudster would sometimes access her computer using that software and she thinks he also had access to her email account. Some of the money that was lost to the fraud was funded by a loan granted by Zopa Bank. Mrs R says that she didn't take out the loan and that the fraudsters must be responsible. She contacted Zopa and asked that it cancel the loan, but Zopa didn't agree.

Mrs R was unhappy with that response and so she referred her complaint to this service. It was looked at by an Investigator who thought it was most likely Mrs R was, at the very least, aware that the loan had been taken out. Mrs R disagreed with the Investigator's view and so the complaint has been passed to me to consider and come to a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can't know with complete certainty how the loan application was made. And when dealing with that uncertainty, I must reach a decision based on the balance of probabilities – that is, I need to be persuaded that the available evidence shows it's more likely than not that Mrs R didn't take out the loan.

I've considered the evidence carefully and I'm not persuaded that's the case here. I agree with the conclusions of the Investigator that it's likely that the loan was arranged with Mrs R's knowledge. I can see that the application was submitted using her genuine email address. Zopa emailed that address to request that various pieces of supporting documentation be uploaded and this request was responded to.

Zopa sent other emails to that same address, including notifications about a direct debit mandate being put in place and the first payment being collected. When Mrs R contacted Zopa to question the loan, it was this email address that was used to send her query. She

has speculated about the possibility that her email account was compromised. But she hasn't said that she was frozen out of the account and so, even if a third party had gained access, I think it's likely she'd have seen some of the emails that were sent to her by Zopa.

It's also significant that the phone number that was submitted on the application was one that appears to be connected to her. If a fraudster had intended to submit a loan application without her knowledge, it doesn't seem likely that they'd use her phone number given the obvious risk that the lender would call Mrs R and the scam would be exposed.

I know my decision will be hugely disappointing to Mrs R, but I'm persuaded that the weight of the evidence suggests the loan was arranged with her knowledge and consent. It follows that I don't think Zopa has acted unreasonably by holding her liable for it. Nonetheless, I'd like to remind Zopa that it has a regulatory obligation to offer forbearance and due consideration in the event that Mrs R experiences financial difficulties.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 5 January 2024.

James Kimmitt
Ombudsman