

The complaint

Miss B complains that Chetwood Financial Limited trading as LiveLend (LiveLend) are holding her liable for a loan agreement she didn't enter into.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. In January 2022 LiveLend received an application and subsequently issued a loan for £7,000. The loan had a term of 24 months and the money was paid into Miss B's bank account. In February 2022 Miss B contacted LiveLend and told them that the loan had been taken in her name without her knowledge or consent.

She described how she'd been the victim of an online scam perpetrated through social media. She'd shared certain details with a third party who she believed was going to help her reduce her debt and improve her credit score. She said multiple loans had been taken in her name and she'd been persuaded to pass the loan funds on to the scammer.

LiveLend investigated but ultimately held Miss B liable for the loan. Being unhappy with this outcome Miss B raised a complaint with the support of our service. One of our Investigators ultimately concluded it was more likely than not that Miss B had entered into the loan agreement, and so she didn't recommend that LiveLend needed to do more.

Miss B disagrees and has asked for an Ombudsman to review her 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.

Having done so, I agree with our Investigator's outcome and for largely the same reasons. I know this will be disappointing for Miss B, so I'll explain why.

I'm aware of Miss B's linked complaints about other lenders, but this complaint only relates to LiveLend. I'm sorry to hear of the difficult personal circumstances Miss B has described in recent times. And I've no doubt of the impact the whole situation has had on her. I'm pleased to see our Investigator has already signposted Miss B to organisations who may be able to provide further support. But my role requires that I remain impartial and reach an outcome based on what I believe to be fair and reasonable in all the circumstances.

With that in mind, my first consideration is whether Miss B entered into the loan agreement or whether this was done without her knowledge and consent as she alleges. Key to this is a conversation that took place between Miss B's bank 'N' and her on 11 January 2022. The LiveLend loan had been paid into her account on 6 January 2022. The conversation involved N speaking to Miss B seeking to protect her from a fraud or scam. They asked her questions about an outgoing payment she was instructing. Miss B explained that she was sending

money to a friend who was using it to help her pay legal costs relating to a dispute she was having. During the call the following exchange took place:

N: *"I can see that you have recently got a couple of loans out haven't you?"*

Miss B: *"Yes I have."*

N: *"Is that to pay for this then or to pay for part of it?"*

Miss B: *"Yes to pay for it so I've got a roof over my head."*

Miss B's statements from N show that in addition to the LiveLend loan there were other loans credited to her account in the days prior to 11 January when the phone call took place. I think it's most likely that the LiveLend loan is one of those the agent was referring to. I find this call to be persuasive evidence. If Miss B hadn't consented to the loan or didn't know the loan was in her name, it's difficult to understand why she told N she had taken the loan. Particularly when she didn't then raise this with LiveLend until late February 2022.

Miss B has since said that the payments (including the one N were querying) were upon the direction of the scammer. But again, it's not clear why she didn't tell N the payment was in relation to clearing debts and improving her credit score. Miss B later told our service that the scammer had reassured her that no loans were in her name and that it was all part of the process. And this continued until direct debit's relating to loans started to come out of her account. This contrasts what she told N at the time, specifically that she had taken the loans in question. The inconsistencies between what Miss B said at the time to N and what she's later told LiveLend and our service, make it difficult for me to place a lot of weight on her testimony as reliable and credible evidence.

I appreciate that amongst the chats between Miss B and the scammer that she has provided, there is evidence of her accusing the scammer of taking multiple loans without her consent. But this comes later, after the relationship between Miss B and the scammer seems to have deteriorated. And as such I've placed more weight on the evidence from the time closer to when the loans were taken, particularly the call with N.

Miss B has alleged that the LiveLend loan was unaffordable for her. She's stated this as an additional reason why the loan shouldn't have been paid in the first place. The £7,000 loan was to be repaid over 24 months with monthly payments of around £340. The declared purpose of the loan was the purchase of a vehicle.

So I've considered whether LiveLend completed reasonable and proportionate checks to satisfy themselves that Miss B would be able to repay the agreement in a sustainable way. I think they did. I can see that LiveLend verified the information included on the application through various other sources. And it's likely that the other loans taken around the same time wouldn't have been visible immediately on Miss B's credit file. So, I don't think LiveLend failed to complete reasonable and proportionate checks, as they are required to.

And even if I'm wrong on this point, I've reviewed Miss B's statements for the months prior to the loan being agreed. This is with both of her banks L and N. And, in general this shows that her incoming regular payments were sufficient such that even if LiveLend had sought further evidence, I don't think this would (or should) have impacted their lending decision. So I don't think LiveLend needs to do more on this point. That being said, if Miss B is experiencing financial difficulty, I'd still expect LiveLend to treat her positively and sympathetically.

Overall, I don't think LiveLend concluding that Miss B likely agreed to enter into the loan agreement was unfair or unreasonable. It follows that there isn't a reasonable basis upon which I can direct them to do anything further to resolve this complaint.

My final decision

For the reasons outlined above, 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 B to accept or reject my decision before 30 November 2023.

Richard Annandale
Ombudsman