

The complaint

Ms T has complained Chetwood Financial Limited, trading as BetterBorrow, is continuing to ask her to repay a credit agreement which she didn't take out.

What happened

Ms T responded to an advert about cryptocurrency trading. She sent £1,000 to initiate transactions.

During her relationship with the company assisting her, she allowed them access to her laptop through sharing software. This resulted in this company taking out a loan with BetterBorrow for £10,000 (plus £500 arrangement fee). They conned Ms T in letting her believe they'd sent her £10,000 instead of the £1,000 she expected. She returned £9,000 to them.

It didn't take Ms T long to realise she'd been a victim of a scam and complained to BetterBorrow. They accepted Ms T hadn't received the credit agreement so confirmed they'd only be asking her to repay the capital of the loan.

Ms T brought her complaint to the ombudsman service. Our investigator didn't think there was any evidence showing Ms T had taken out the loan nor had knowingly benefitted from the loan funds. He asked BetterBorrow to write off the loan and stop pursuing Ms T for any further repayments.

BetterBorrow didn't agree with this outcome as they didn't see there was any reason why they'd have been expected to find the application in Ms T's name as suspicious. They felt Ms T hadn't taken sufficient steps to protect herself.

This complaint has been referred to an ombudsman for 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

Firstly I can see the credit agreement was taken out in May 2023. How this happened isn't really in dispute and was covered in detail in BetterBorrow's final response, our investigator's view of October 2023 and the background above.

BetterBorrow accepts Ms T didn't take out the credit agreement herself but believes she can still be held liable.

I don't agree with this interpretation.

The evidence indicates that this loan was taken out without Ms T's consent. I note what has been said in our investigator's view. BetterBorrow's response implies that Ms T benefitted to the tune of £1,000 (which she subsequently spent on repaying her debts).

Again I don't believe the evidence backs this up. The company who scammed Ms T allowed her to keep £1,000 of the original £10,000 loan but this was to con her into believing they'd made an error in repaying her initial investment. I'm not convinced Ms T benefitted from the loan agreement; rather she didn't lose out being the victim of a scam which I believe is fair and reasonable.

Taking all the evidence into account, and as Ms T didn't take out the original credit agreement, nor I believe benefitted from it, BetterBorrow can't continue to hold her liable for the outstanding debt.

Putting things right

As I believe Ms T didn't take out the credit agreement with BetterBorrow, they will need to remove any outstanding liability and stop asking her to repay any debt.

I also expect them to remove any reference to this credit agreement from Ms T's credit record.

My final decision

For the reasons given, my final decision is to instruct Chetwood Financial Limited, trading as BetterBorrow, to:

- Remove Ms T's name from the disputed credit agreement;
- Stop asking her to repay debt associated with this credit agreement; and
- Remove any record of this agreement from Ms T's credit record.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 2 February 2024.

Sandra Quinn
Ombudsman