

## **The complaint**

Mr F complains that Chetwood Financial Limited trading as LiveLend (LiveLend) won't write off a loan that he says was paid to him as the result of a scam.

## **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.

On 5 February 2022 LiveLend issued a loan in Mr F's name. The loan was for £12,500 to be repaid over a 48 month term with monthly repayments of around £400. The loan was paid into an account in Mr F's name with his bank 'B'. Mr F's bank statements show that the loan funds were paid away to what appears to be a cryptocurrency exchange.

By 15 February 2022, Mr F says B had frozen his account as they were concerned about the activity. And following his conversation with B, he realised he'd been the victim of a scam. When Mr F reported this to LiveLend he explained that he'd been in contact with someone through social media. He said he didn't apply for the loan with LiveLend and that when he sent the loan funds from his account, he believed this was for a cryptocurrency investment.

LiveLend investigated and in summary said they accepted Mr F had been the victim of a scam. And they accepted he hadn't entered into the loan agreement with them. So, they said they would remove all reference to the loan from Mr F's credit file and remove any interest and charges from the loan amount, but they still intended to pursue him for the principal sum. They also offered £50 compensation for any distress caused by them sending a default notice (in error) to Mr F.

Mr F didn't accept this and referred his complaint to our service. He says he's been the victim of a scam and thinks the loan should be written off entirely. One of our Investigators didn't recommend that the complaint should be upheld. She thought LiveLend had acted fairly in the circumstances and didn't recommend they needed to do more.

Mr F still disagrees and has asked for an Ombudsman to review his 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've reached the same outcome as our Investigator and for largely the same reasons. I know this will be disappointing for Mr F, so I'll explain why.

I think it would be helpful to firstly set out some things that are broadly agreed upon by both parties. Everyone agrees that Mr F has been the victim of a scam. It is accepted that Mr F himself didn't make the loan application (or have knowledge of it at the time) and that its

most likely this was done by the scammer, with information they'd tricked Mr F into sharing. It is also agreed that LiveLend credited his account with B with £12,500 in February 2022 and that this money was then paid out of that account by Mr F.

Mr F had shared his details with the scammer, so when LiveLend processed the loan application, I don't think they reasonably could have known they weren't dealing with the genuine Mr F at that time.

In these circumstances I agree that it wouldn't be fair for LiveLend to hold Mr F to the terms of an agreement he didn't enter into. LiveLend removing interest, fees and charges and removing the loan from his credit file is what I'd expect. So all that remains to be decided is what ought to be done in relation to the £12,500 that LiveLend paid to Mr F.

As I've mentioned, LiveLend did pay this money into Mr F's account. So, I must decide if this is a case where the fair and reasonable outcome is for me to tell LiveLend that they can't pursue Mr F for this amount. I don't think it is, and I'll explain why.

I've seen a copy of Mr F's bank statement when the loan funds arrived in his account. It appears as '*Received from LiveLend Loan*' alongside the amount and a reference number is provided. I don't think this is ambiguous and I think it would be clear to any reasonable person that these were funds paid into an account as a result of a loan.

I also asked Mr F to share all the messages between him and the scammer and I also asked a number of further questions. Specifically, *"what was your understanding of the reason for the outgoing payments that spent the loan funds from LiveLend? What did the scammer tell you those payments were for? Also what had the scammer told you about the incoming payment (the loan funds)? What did you believe it to be for at the time? For example, did you think it was profits from the 'investment'? There is some mention in the messages we already have that the scammer 'trusted' you with that money. Please could you expand on this?"*

Mr F responded and said: *"This is no admission of responsibility, and I enclose as requested by you the details leading up to the transactions that I was advised were Crypto Trading Investments, but now know they are clearly not. I have not continued with this investment, nor have I gained or made a profit, all I have done is lost sleep and got stressed..."*

Mr F also shared what he says are all the messages between him and the scammer. These don't really help to paint a clear picture of exactly what went on. I accept they are an incomplete record due to the nature of the social media platform used where messages 'delete' themselves after a period of time. One of the messages which appears to be from Mr F to the scammer says: *"Sending allsorts of money to people... it doesn't look good..... knowing that you no where I live etc it has to stop.... You send me my £12,500 and ill send the £5,220 and that's it..... Done...."* I don't think this sounds like a conversation about an investment.

I think its most likely that Mr F knew (or reasonably ought to have known) that these funds most likely came from a loan. And I don't think its reasonable that he didn't take any further steps to confirm this, prior to sending them on, particularly as it was clearly identifiable as a loan from how it appeared on his account.

In the absence of a reasonable explanation as to why Mr F believed the incoming funds were something other than a loan, I don't think this is a case where it would be fair and reasonable for me to prevent LiveLend from seeking to recover the money they paid into Mr F's account. As such, I'm not going to require them to do anything further to resolve this complaint.

For completeness, I think the £50 compensation that LiveLend offered due to them sending Mr F a default notice by mistake is a fair way to put things right for that error. Whilst I understand Mr F is unhappy with LiveLend overall, I'm not persuaded that particular mistake had such an impact that a greater amount should be paid. If Mr F hasn't already received this from LiveLend and would like to accept it, he should contact them to arrange this.

### **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 Mr F to accept or reject my decision before 5 December 2023.

Richard Annandale  
**Ombudsman**