

The complaint

Mr C complains that a loan was fraudulently taken out in his name with Lendable Ltd.

What happened

Mr C says that he lost his phone on 22 August 2022, and that it was used by a scammer to change details on his account with a credit reference agency (CRA). The CRA account was then used to apply for a loan with Lendable for £20,000 on 23 August 2022.

On 12 September 2022 Mr C contacted Lendable to say that he had not applied for this loan himself, and he did not think Lendable had done adequate checks to ensure the application was legitimate. Lendable looked into the loan application, but ultimately decided that it had adequate evidence to suggest that Mr C had applied for the loan himself, so it continued to hold him liable for the outstanding loan balance.

Mr C was unhappy with Lendable's findings, so he referred his complaint to our service. One of our Investigators looked into what had happened, but they also felt that the evidence suggested it was more likely Mr C had applied for the loan himself, so they did not uphold his complaint.

Mr C remained unhappy, so his complaint has been passed to me for review.

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 conclusions as our investigator and for the same reasons.

I've looked carefully at the evidence provided by Lendable and by Mr C, and I am satisfied that it is reasonable for Lendable to conclude that Mr C more likely than not did apply for this loan and should therefore be held responsible for repaying it.

I say this because the loan application was carried out with Mr C's genuine details, including his home address, email and phone number. I acknowledge that the 'previously supplied number' on the application is a number that Mr C says is not his, but the current phone number used on the application – which states it was verified via SMS – is the mobile number we hold for Mr C and which he continues to use. Lendable has also provided evidence that confirmation emails were sent to the email address held for Mr C, which matches with the email address Mr C is still using now. I also note that the loan was paid into Mr C's own current account, and that Lendable carried out its usual fraud checks before agreeing to the loan, which did not flag up any concerns. So I can't agree that anything about the application should have flagged to Lendable that something might be wrong, nor do I think the application suggests that it was someone other than Mr C who applied for the loan.

I also agree with our Investigator that I cannot see a reasonable way that Mr C's phone could have been compromised to allow the fraud to happen in the way he says it did. Mr C has provided evidence which he says supports that his device was compromised, but nothing I've seen explains how a fraudster would have been able to compromise his online banking, emails, and CRA account, nor how someone could bypass the biometric security Mr C says he had on his phone.

I also acknowledge the correspondence Mr C has said he has received from third parties which he says confirm that he was defrauded. But while I've carefully considered those documents, they do not change my view that it was fair and reasonable for Lendable to find that Mr C more likely than not did apply for this loan. It follows that Lendable is entitled to hold him liable for the outstanding loan balance.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 August 2023.

Sophie Mitchell
Ombudsman