

The complaint

Mr L complains that HSBC UK Bank Plc is holding him liable for the debt on a loan which he says he neither applied for nor knew about.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, in April 2022 a loan was taken out with HSBC in Mr L's name for £12,500. Mr L subsequently got in touch with HSBC to let it know he hadn't applied for the loan. HSBC investigated things and ultimately couldn't reach agreement with Mr L, so he referred his complaint about HSBC to us. Our Investigator couldn't resolve things informally, so the case has been passed to me for a 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 decided to not uphold this complaint for materially the same reasons as our Investigator. I'm not persuaded this loan in Mr L's name was entered into without his knowledge or consent as he alleges.

For things to have happened as Mr L has suggested, a third-party would have needed to have applied for the loan in Mr L's name and to have then accessed Mr L's account into which the loan funds were paid, so as to fraudulently move the loan funds on from there, all without the knowledge and consent of Mr L.

The information I've seen does not suggest this is most likely what happened here. Mr L has said unauthorised transactions were made out of his account before *and* after the loan funds landed. The matter of alleged unauthorised transactions on Mr L's account was addressed and decided here by a different Ombudsman under a separate case, in which the Ombudsman determined that the probabilities in the matter pointed in the direction that either Mr L made the transactions concerned himself, or he provided authority for a third-party to do so on his behalf.

I've seen no reason in this separate case about the loan why I would reach a different conclusion and I agree with what our Investigator has already said about things. I would have expected Mr L to question the loan earlier than he did if he hadn't applied for or consented to it. And overall the evidence just isn't persuasive that Mr L somehow didn't know about this and that someone somehow then accessed his bank account and moved the funds out without his knowledge and consent in circumstances where this doesn't seem most likely what happened. This means I don't think it's likely the loan was taken out without Mr L's knowledge or consent as he alleges, and I therefore don't uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 December 2023.

Neil Bridge
Ombudsman