

## **The complaint**

Miss S complains that Madison CF UK Limited (Madison) won't accept that she's been a victim of identity theft in relation to a loan agreement.

## **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 details here.

In November 2022 Madison processed a loan application in Miss S' name. The loan was for £5,000 with a term of 36 months. The loan agreement was electronically signed. The loan funds were paid into an account in Miss S' name with a bank I'll refer to as 'H'.

On 14 March 2023 Madison say they received a call from Miss S wishing to make a payment towards the loan of £100. During this call the caller provided the loan agreement number, mentioned that they had received a letter about the loan. They also said they were unhappy about Madison not contacting them sooner about arrears and asked why the payments hadn't been taken.

On 30 March 2023 Miss S contacted Madison and said that she hadn't applied for the loan and had no prior knowledge of it. During this call she provided the same email address that she has used when communicating with our service. This is a different email address to that used on the loan application.

Madison investigated Miss S' claim. They decided they were going to hold Miss S to the terms of the loan agreement. The matter was referred to our service. Our Investigator didn't recommend that the complaint should be upheld. She thought the decision Madison had made was fair. Miss S didn't accept this outcome and so the complaint has been passed to me to decide.

## **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 and for essentially the same reasons, I'll explain why.

Overall, I find the documentary and other evidence more persuasive than Miss S' testimony. During the call on 30 March 2023 Miss S claims she had no knowledge of the loan and that she hadn't applied for it. Yet on the earlier call the caller indicates that the loan is theirs. I've listened to these calls and I agree with Madison that it sounds very much like the same person on this earlier call compared to the later call. On balance, I think it was Miss S who spoke to Madison on 14 March 2023. Miss S also seems to accept it was her on the initial call as some of her recent submissions to our service state that *"Initially, I received a letter*

*via mail stating that I owe a substantial amount of money to Madison CF. I must admit that I was overwhelmed and fearful about the unexpected financial obligation that had been imposed on me without my consent. Consequently, I felt compelled to cooperate with the loan company whilst seeking for answers to my pressing questions."*

In the initial call Miss S provides details about the loan, is unhappy it was in arrears and arranges to make a payment towards it. She also said she would look to catch up some of the arrears the following month and there was no mention of it being a fraudulent application. I find it implausible that someone would call up to make a payment to a loan they believed they hadn't received or knew nothing about, without also mentioning this at the time.

Further to this during their fraud investigation Madison asked Miss S which banks she banks with. Miss S responded naming two banks 'M' and 'H2' and provided statements from these accounts showing that the loan funds hadn't credited either of these accounts. As part of their investigation Madison also contacted H who confirmed the account they held was in Miss S' name and that the loan funds had credited that account. So it raises a question about why Miss S didn't initially tell Madison about her account with H. Miss S has since sought to explain this by saying *"The reason I did not provide the rest of my bank accounts is because they are credit accounts which cannot be used to deposit funds."* She also went on to say that the account was only used for international transactions. But I'm not persuaded this is the case, as the statements our service have obtained from H show transactions within the UK.

The statements from H also show that the loan funds were promptly transferred to an account with 'R' after arriving from Madison. Our Investigator contacted R to ask about this payment and the account that received them. They confirmed the account was in Miss S' name, the details they had on file for that account matched those Miss S has used to communicate with our service.

Miss S also pointed out that Madison had a different email address for her. I'm not persuaded this makes a difference to the outcome of this complaint. It is very easy to set up multiple email addresses online. Overall, I don't find Miss S' testimony evidence to be persuasive or credible. I think it's more likely than not that she entered the loan agreement and I therefore don't think Madison holding her to the terms and conditions of it is unfair.

Miss S has raised a number of further points. These include the use of a 'digital' signature with what she says was insufficient verification. As well as the service provided to her throughout her disputing the loan. In the circumstances here I don't think Madison were unreasonable to rely on a digital signature, particularly as the weight of the evidence supports that Miss S entered into the loan agreement with Madison. And in these circumstances, where Miss S is disputing liability for a loan that I think she more likely than not applied for, even if there were some service failings, I don't think it would be fair or reasonable of me to make a compensatory award for this.

Miss S has also referred to the Consumer Protection Act 1974 and the Data Protection Act 2018. I assume Miss S means the Consumer Credit Act 1974 as I'm not aware of and haven't been able to find online a Consumer Protection Act 1974. In essence she alleges failures by Madison with regard to the processes it should have followed specifically around the signing of an agreement and the electronic transmission of documents. She also doesn't believe that Madison has responded appropriately to her requests to share information. I've considered these points and none of them change my mind as to the outcome of this complaint – which was specifically that Madison held Miss S to the terms of a loan which she says she didn't apply for. So whilst Miss S has alleged that the application was all done by Madison without her knowledge or involvement for it to make money, I'm not persuaded that is the case. I find the evidence compelling for the reasons outlined above. The crux of this

complaint is whether Miss S entered the loan agreement or not. And in this particular case, any technicality around the use of an electronic signature etc. and the sharing of information, doesn't in my opinion, mean it isn't fair and reasonable for Madison to seek repayment under the loan agreement.

Miss S has also more recently said that she cannot afford the loan. As I've mentioned above, the complaint made to Madison was about Miss S' liability for the loan, based on whether she had entered into the agreement. If Miss S feels this is a case of irresponsible lending, this is something she should take up with Madison in the first instance and not something I will make a finding on in this decision.

Overall, I don't think the conclusion Madison reached in holding Miss S to the terms of the loan agreement was unfair or unreasonable. And so I'm not going to direct that they need 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 S to accept or reject my decision before 12 February 2024.

Richard Annandale  
**Ombudsman**