

The complaint

Ms A is unhappy that Metro Bank PLC allowed a fraudster to take out a loan in her name.

What happened

- In July 2021, Ms A was introduced to a fraudster posing as an investment broker. She's explained that having allowed him to remotely access her computer, he started to look into credit options. She protested, as she'd already a lot of credit.
- Ms A said she didn't realise he'd applied and agreed to a loan in her name until the next day, when the money appeared in her account. She recalled that he told her not to worry, as she'd quickly pay it back with the profits made, and his company was the guarantor. So she transferred the money to another newly opened account in her name, thinking it would be invested. In fact, it ended up in the fraudster's hands.
- When Ms A realised she'd been scammed, she raised a complaint with Metro – she was unhappy it had allowed a loan to be taken out in her name and said it wasn't affordable. Metro said she was liable to pay it back. Unhappy, Ms A brought her concerns to our service to investigate.

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 for these reasons:

- I'm persuaded Ms A herself didn't agree to take out this loan, and I don't think she gave permission for someone else to agree to the loan on her behalf. It's accepted, and there's evidence to support, she was a victim of an investment scam. And Ms A has provided a consistent and detailed testimony that while she recognised the fraudster was looking into getting credit, she didn't realise he'd actually applied and agreed to the loan until the money was in her account the next day. I've also noted that the application isn't reflective of Ms A's circumstances – which supports that someone else made it and agreed to the loan.
- However, Ms A has acknowledged that when the loan appeared in her account, she transferred it to another account in her name, thinking it would be invested. I realise she was tricked into believing she'd be able to pay it back promptly with the profits she'd made, and the fraudster would act as a guarantor. But it remains that Ms A ultimately made use of the loan.
- In these circumstances, I think it's fair that Ms A remains liable for the amount borrowed. But as she didn't agree to it at the time – and therefore couldn't have accepted the interest, fees and charges – I don't think it'd be fair to hold her liable for these. So Metro should remove them and make sure Ms A only pays back what was

lent. I've noted she's said she's struggling to repay the loan – so Metro should work with her to arrange an affordable way forward for what's owed.

- Metro should also make sure that any adverse information recorded as a result of the interest, fees and charges is removed from Ms A's credit file. But I'm satisfied it's reasonable for Metro to reflect that there's an outstanding balance for the money lent.

My final decision

For the reasons I've explained, I uphold Ms A's complaint. Metro Bank PLC must:

- Remove any interest, fees and charges from the loan and make sure that Ms A only pays back what was lent.
- Make sure that any adverse information recorded as a result of the interest, fees and charges is removed from Ms A's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 27 March 2023.

Emma Szkolar
Ombudsman