

The complaint

Mrs C complains that Healthcare Finance Limited trading as Tabeo ("Tabeo") is holding her liable for the debt on a loan which she says she neither applied for nor consented to.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, in July 2022 a loan was taken out with Tabeo in Mrs C's name for £5,809.25. Mrs C subsequently got in touch with Tabeo to let it know she hadn't applied for the loan. Tabeo investigated things and ultimately couldn't reach agreement with Mrs C, so she referred her complaint about Tabeo 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 uphold this complaint for materially the same reasons as our Investigator.

In this case, my first consideration is: did Mrs C enter into this loan agreement, or was it done without her knowledge and/or consent as she alleges?

On this I've found Mrs C's submissions to be plausible and persuasive. That is, Mrs C has said she didn't apply for the loan, and it was taken out in her name without her consent by her adult daughter, and I believe her. Tabeo's records indicate it had already declined a couple of loan applications made in Mrs C's daughter's name; and one made in Mrs C's name had been cancelled. And Mrs C has provided copies of emails between her and Tabeo dated between 29 June 2022 and 1 July 2022 in which Mrs C told Tabeo that she was aware her daughter was trying to take out finance and she didn't want to be involved in any part of the finance with this person so please could Tabeo withdraw her details from the application. So, I'm satisfied it's most likely Mrs C didn't want to be involved in any finance with her daughter, and that it's most likely the loan application on 12 July 2022 (granted by Tabeo – made in Mrs C's name but with an email address and phone number on there that would appear to be for Mrs C's daughter) was not made by Mrs C and that Mrs C didn't consent to it. On this basis, I'm satisfied Mrs C can't be said to have entered into the loan agreement with Tabeo.

Tabeo says any determination of fraud should be decided by the police. However, there's no need for this here in order for me to be satisfied on a balance of probabilities that Mrs C most likely didn't enter into this loan agreement. And since I'm satisfied Mrs C most likely didn't apply for or agree to this loan, I don't think it would be fair for Tabeo to hold her to the terms of the loan agreement she never agreed to. So, Tabeo shouldn't hold Mrs C liable for interest and charges, neither should there be a record of the loan on Mrs C's credit file – so if there currently is, this should be removed.

I'm also satisfied in this case that it wouldn't be fair for Tabeo to pursue Mrs C for the outstanding loan funds. I say this because I'm satisfied Mrs C appears to have not benefitted from these; I don't think I could reasonably say any benefit Mrs C's daughter may have received from the loan funds is something Mrs C should be held responsible for in the particular circumstances of this case; there's no suggestion Mrs C would otherwise receive any of the funds back from her daughter. And again, there's no need for a police determination of fraud here in order for me to be able to decide these points on the balance of probabilities. The loan funds were paid straight for the treatment (not to Mrs C) and she appears to have acted reasonably and appropriately to try to mitigate matters. And I'm satisfied it wouldn't be fair for Tabeo to pursue Mrs C for the outstanding funds – I'm satisfied Tabeo should write off the loan. And if Mrs C made any monthly repayments Tabeo should also refund these to Mrs C.

My final decision

For the reasons explained, I uphold this complaint and I direct Healthcare Finance Limited trading as Tabeo to:

- refund to Mrs C any repayments she made to the loan (if any); and
- write off the loan and not pursue Mrs C for any repayment of the loan; and
- amend Mrs C's credit file removing any information about the loan and searches.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 4 December 2023.

Neil Bridge
Ombudsman