

## **The complaint**

Mr R complains that Oakbrook Finance Limited trading as Likely Loans (“Likely Loans”) have held him liable for a loan he didn’t apply for.

## **What happened**

### *What Mr R says*

Mr R explained that he first became aware of a £10,000 loan that had been applied for using his name when he saw a direct debit leave his account. This was the first repayment for the loan.

Mr R approached his own bank, who I’ll refer to as V about the unrecognised transaction. It was at that point that he was told the payment was linked to the loan that had been received the previous month into his account.

Mr R denied knowing anything about the loan and a few days later contacted Likely Loans about the situation. He explained that he hadn’t applied for any loan himself but believed he’d been the victim of a crypto currency investment scam.

Mr R said that he’d been in contact with a person who was helping him trade in crypto currency. Mr R said he’d provided various personal and financial documents to this person via a social media platform that automatically deleted the messages. Mr R went on to say that he’d also provided a “code” to this person for his bank account. It was explained to Mr R that this would enable the crypto trader to make trades on his behalf. Mr R also said that he’d set up a number of accounts with different crypto currency firms to help with his trading.

Mr R also gave this explanation to his bank (V), who looked into the situation and because the loan had been from another company, they weren’t taking the matter further. Mr R sought a refund from Likely Loans because he maintained that he hadn’t applied for the loan himself. Likely Loans thought that Mr R was responsible and knew about the loan because his genuine email address was part of the application and they’d sent him emails and received responses from it. Mr R maintained that his email account had also been hacked and this explained why he knew nothing about the loan.

Likely Loans declined to refund Mr R and he went on to make a complaint about the situation. Likely Loans looked into what had happened and sent (in error) a response to his complaint that they didn’t think he was responsible for the loan. This was later corrected in a further response from the business because they believed he was responsible.

### *What Likely Loans say*

Likely Loans said that they received an application for a loan from Mr R and conducted their usual checks prior to authorising the loan. These included affordability checks and Likely Loans assessment was, in part, based on a current wage receipt issued the previous month.

They maintained that Mr R knew about the loan because they'd asked him for documents at the time of the application. The requests had been made to Mr R's genuine email address and Likely Loans had received responses to their requests, including the provision of specific documents supporting Mr R's income/ identity and banking arrangements.

Likely Loans also believed that if Mr R had given access to his own bank accounts to another person then this would be a breach of terms related to his bank account. Likely Loans said that the loan payment was paid into Mr R's genuine bank account which also matched Mr R's genuine address and personal details.

They maintained that the loan was properly applied for by Mr R and continued to try and recover the loan. Mr R didn't believe he was responsible for repaying it and Likely Loans applied some breathing space to the loan.

### *The investigation so far*

Mr R was left unhappy with how Likely Loans had dealt with his situation and brought his complaint to the Financial Ombudsman Service for an independent review.

An investigator was assigned to look into the situation and both parties were asked to provide details about the complaint. Information was also provided by V.

Mr R explained how he'd fallen victim to a scammer who he thought was going to provide him with crypto trading advice and support. Mr R said he had been told by the scammer to tell V that transactions that had been stopped (by V) were made by him (rather than the scammer) otherwise they wouldn't go through. Mr R denies making any of the transactions to crypto accounts. He confirmed he hadn't provided any of his passcodes or personal identification numbers (PINs) that would enable access to his mobile banking. Mr R did provide a "code" to the scammer to assist with the trading of crypto currency by enabling access to Mr R's account with V.

He went on to say that he only found out about the situation once the direct debit for the first loan repayment was attempted from his account with V. Mr R believed that the scammer had used the details he'd given to him to make payment to various crypto merchants and applied for the loan in his name without his knowledge. Mr R said that the scammers access to his account enabled them to make payments from it that he hadn't authorised.

Likely Loans provided details of the loan application and the checks they carried out. They continued to believe the loan application was genuine and were holding Mr R liable for it. Likely Loans said that if V could confirm the application was fraudulent, they would review their position.

V were also asked to provide information about the payments into and out of Mr R's account, including how the loan was used. They also provided details about how Mr R's mobile banking had been used and copies of calls between themselves and Mr R. V's position was that Mr R suffered "no loss" as a result of their actions and they wouldn't be taking the matter any further.

During one of the calls Mr R had with V, he said:

- after giving them (scammer) the code (to access his bank account), he didn't hear back from them.
- He confirmed he'd received emails from Likely Loans (during the application phase) relating to uploading documents.

Further information from V showed that several payments to crypto firms had been blocked and Mr R had been asked to attend a branch with his ID. Notes show a discussion concerning scams was held and that:

- Mr R confirmed his identity.
- He told V that he was starting trading in crypto currency.

It was also noted that Mr R was using two phones for his mobile banking.

In a later written response to our service, Mr R said “...*It is evident that they did have access to my emails, as when speaking to my bank about the situation, my bank asked me to check my emails about a loan being taken out and there were no emails or documentation to show or prove that a loan had been applied for.*”

After reviewing all the evidence, the investigator concluded that it was likely Mr R knew about the loan, but Likely Loans shouldn't have provided it because it appeared unaffordable.

The investigator thought it was unusual that Mr R's genuine email address would be used by the scammer. Also, that when he visited V, he was likely aware of the loan.

She also thought that Likely Loans had made an error when they sent the wrong final outcome to Mr R, which would have given him a false picture that he wouldn't be liable to repay the loan. It was recommended that Likely Loans pay Mr R £200 for the incorrect outcome letter they sent him and because the loan was considered unaffordable, they should remove any interest or charges related to the loan. It was also recommended that Mr R repay the principal loan amount because he'd had use of it.

Likely Loans agreed with the investigator's outcome, but Mr R did not. He maintained that he wasn't responsible for the loan and in summary said:

- He gave the scammer his email address, which was why it was used on the loan application. He also argued that it was the only one available for the scammer to use.
- When he went into the bank, the loan hadn't yet been paid into it.
- He was visiting the bank due to suspicious transactions between his account and a crypto merchant's account.
- He did authorise payments to the crypto merchants (but not the loan).
- He did not know how he could repay the loan because he did not work and was on full disability allowance.

As no agreement could be reached, the complaint has now 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.

Mr R's complaint is that he wasn't aware of a loan that was paid into his account and then used to purchase crypto currency. Likely Loans believe there's sufficient evidence to show

that he knew about the loan and should repay it.

Mr R's version of events is that it all started when he was in contact with a crypto trader who was going to help him invest. He's said he provided numerous details about himself and obtained an access code from his bank (V) which then allowed the "scammer" to gain access to his bank account and apply for a loan in his name.

Mr R, in his response to the investigator's outcome argued that he didn't know about the loan when he visited the bank. The loan itself wasn't paid until the day after he went into the branch, so couldn't have seen it or discussed it with the bank at that point. But there are other factors that I need to consider if Mr R was aware of the loan.

There are several aspects to Mr R's version of events that give me pause to consider which is the accurate version. He's said, in a call with V, that he had at least one email from Likely Loans asking him to upload documents, later in a written response to our service he claimed he did not have any documents at the time and was unaware of the loan. Both versions can't be true and given that Likely Loans showed they'd sent various emails (including a request for further information from Mr R that was responded to), I'm inclined to think that Mr R was aware that a loan was being applied for at the time.

Mr R has also said that after the scammer was given his details, he heard nothing from them. But, he's also said he was given instruction about how to cover up the fact that the scammer was making payments using his own bank account and to tell V that it was Mr R who had made the payments. Again, both versions are at odds with each other. I'm inclined to think that Mr R was in touch with another party concerning investing in crypto and that he was aware this person had access to his own bank account.

Mr R denied anything to do with the loan application or its use. When I've examined the outgoing payments from the loan, they're carried out through mobile banking with a different device to that usually used by Mr R. He told the bank that he was using two devices at the time to carry out his mobile banking.

One particular device is used to arrange the outgoing payments from the account related to the loan. That same device is also used to make a payment to a regular payee (not related to any scam). I doubt a scammer would be arranging payments not connected with the scam, so here, although there is a different device registered with his mobile banking, I think the evidence indicates it was linked to Mr R because of the payment to a regular payee.

I did note that Mr R has said he doesn't work but there's a payslip included with the financial information sent to Likely Loans. Whilst I can't be sure if the payslip is genuine, I do think, on balance, the evidence shows that Mr R knew about the loan. Whilst he may not have been solely responsible for the loan application, the picture presented overall shows actions taken by Mr R that indicate he was involved in obtaining the loan for use in crypto trading.

Mr R may well have been scammed as well here, although there's little in the way of evidence to support that. Here, I think there's sufficient evidence to show he was involved in the application for the loan to purchase crypto currency and did nothing to alert Likely Loans about it at the time. I think it's both fair and reasonable for Mr R to repay the principal, although Likely Loans are required to agree a suitable repayment plan based on Mr R's personal circumstances.

Likely Loans accepted that they should remove the charges and interest associated with the loan and pay Mr R £200 for the error they caused by sending out an incorrect final outcome. I think that's fair considering the overall situation here.

### **Putting things right**

Likely Loans to pay Mr R £200 for the incorrect final response and remove charges and interest resulting from the original loan, but Mr R is required to repay the principal loan amount with a suitable repayment agreement that takes his personal circumstances into account.

### **My final decision**

My final decision is that I uphold, in part, the complaint against Oakbrook Finance Limited trading as Likely Loans and they're instructed to settle the complaint as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 22 September 2023.

David Perry  
**Ombudsman**