

## The complaint

Miss B complains that Admiral Financial Services Limited trading as Admiral Loans (Admiral) are holding her liable for a loan agreement she didn't enter into.

## 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 events here. In February 2022 Admiral received an application and subsequently issued a loan for £5,000. The loan had a term of 24 months and the money was paid into Miss B's bank account. Later the same month, Miss B contacted Admiral and told them that the loan had been taken in her name without her knowledge or consent.

She described how she'd been the victim of an online scam perpetrated through social media. She'd shared certain details with a third party who she believed was going to help her reduce her debt and improve her credit score. She said multiple loans had been taken in her name and she'd been persuaded to pass the loan funds on to the scammer.

Admiral investigated but didn't agree that the loan was fraudulent. Being unhappy with this outcome, Miss B raised a complaint with the support of our service.

Admiral considered the complaint but didn't change their position. One of our Investigators looked into the complaint and ultimately concluded it was more likely than not that Miss B had entered into the loan agreement, and so she didn't recommend that Admiral needed to do more.

Miss B disagreed and asked for an Ombudsman to review her complaint.

In September 2023 I issued a provisional decision in which I said:

*"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 a slightly different outcome compared to that of our Investigator. So, I'm issuing this provisional decision to give everyone a further opportunity to comment before finalising my decision.*

*I'm aware of Miss B's linked complaints about other lenders, but this complaint only relates to Admiral. I'm sorry to hear of the difficult personal circumstances Miss B has described in recent times. And I've no doubt of the impact the whole situation has had on her. I'm pleased to see our Investigator has already signposted Miss B to organisations who may be able to provide further support. But my role requires that I remain impartial and reach an outcome based on what I believe to be fair and reasonable in all the circumstances.*

*With that in mind, my first consideration is whether Miss B entered into the loan agreement or whether this was done without her knowledge and consent as she alleges. Miss B has*

*disputed loans with several lenders and her testimony hasn't always been consistent.*

*There was a call in January 2022 between Miss B and her bank 'N'. In this call Miss B agreed she had taken loans which she later went on to dispute. The inconsistencies between what Miss B said at the time to N and what she's later told the lenders and our service, make it difficult for me to place a lot of weight on her testimony as reliable and credible evidence.*

*So, I've had to consider the other evidence that is available. The call I've referred to above that took place between N and Miss B predates the application for the Admiral loan. Therefore the loan relevant to this complaint can't be one of those that Miss B accepted taking during that call.*

*The other evidence I've considered is a copy of a chat conversation between Miss B and the alleged scammer where she asks why he has taken the Admiral loan in her name without her knowledge. This documentary evidence is dated 1 February 2022 when the loan had been agreed and shortly before it was paid into her account with N. This doesn't support that Miss B herself entered into the agreement. I've placed more weight on this evidence of the chat between Miss B and the scammer as it is effectively a contemporaneous note of what was said at the time. From what I've seen at this point there was no motivation for Miss B to deny knowledge of the application. Such motivation could arise at a later time, when a person discovers they've been the victim of a scam. And whilst I appreciate Admiral's point, that Miss B still had the opportunity at that time to cancel the loan and not receive the payment, this doesn't change my mind as to whether she knowingly entered into the agreement – which is the key consideration.*

*The evidence is compelling that by the time Miss B received the loan funds (and sent them on), that she was well aware that it was a loan in her name. So, I think it's fair for Admiral to pursue her for the principal amount. But as I don't think she entered into the credit agreement with Admiral, they shouldn't hold her to its terms. This means they shouldn't seek repayment of any interest or charges in relation to the loan. I also think Admiral should remove all reference to the loan from Miss B's credit file.*

*My provisional decision*

*For the reasons outlined above, but subject to any further information I receive from either Miss B or Admiral, I intend to uphold this complaint in part.*

*I intend to direct Admiral Financial Services Limited trading as Admiral Loans not to pursue Miss B for more than the principal loan amount of £5,000 (less the full amount of any repayments already made). They should also remove reference to this loan from Miss B's credit file."*

*Admiral responded to say they accepted my provisional decision. Miss B made some further comments that I'll address below.*

### **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.*

*Miss B has re-iterated her position that she didn't take out this loan – this is something my decision supports. She has also highlighted the difficult position she is currently in and that*

she feels unable to repay the loan. She also mentioned that the case is with the police as she says she was coerced into sending the money on.

I've considered all Miss B has said, but it doesn't change my mind as to the outcome of this complaint. The fact remains that the loan funds were paid to Miss B by Admiral. And the evidence is clear that Miss B knew the nature of those funds before she sent them on (albeit on the instructions of a scammer). So, in these circumstances, I'm not persuaded it would be fair to remove Admiral's ability to pursue her for the principal sum, should they choose to do so.

### **My final decision**

For the reasons outlined above, my final decision is that I uphold this complaint and direct Admiral Financial Services Limited trading as Admiral Loans not to pursue Miss B for more than the principal loan amount of £5,000 (less the full amount of any repayments already made). They should also remove any reference to this loan from Miss B's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 17 October 2023.

Richard Annandale  
**Ombudsman**