

The complaint

Mr B complains that Metro Bank PLC (trading as RateSetter) is holding him responsible for the debt on a loan he says he didn't consent to.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here.

In summary, on 4 May 2023 a loan was taken out with RateSetter in Mr B's name for £20,000.

Mr B subsequently got in touch with RateSetter to let it know he didn't consent to the loan. RateSetter investigated things and ultimately couldn't reach agreement with Mr B, so he referred his complaint about RateSetter to the Financial Ombudsman.

Our Investigator looked into things but didn't uphold Mr B's complaint. Ultimately, she thought RateSetter had done nothing wrong in pursuing Mr B for the loan debt. And she thought its agreement to write off the interest and charges was more than fair.

Mr B didn't agree and so the case has been passed to me to decide. He said we hadn't appreciated the fact he'd been the victim of a crime – and questioned RateSetter's due diligence checks in letting the application be approved. Mr B also said the terms he agreed to had been '*deliberately misrepresented*'.

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 not uphold it for materially the same reasons as our Investigator.

I've very carefully considered all the evidence provided. And I'd like to assure Mr B that if I don't mention a particular point, it's not because I haven't considered it, but I've focussed instead on what I believe to be important to the outcome of this complaint.

It doesn't seem to be disputed that at the time of the loan application Mr B was in touch with, and being scammed by, a third-party. However, this doesn't automatically mean RateSetter should be required to do more than it has offered to (for example, by removing the loan from Mr B's credit file and/or writing it off).

Mr B was fully aware at the time that he'd given his details and banking information to the third-party and that they'd applied for the RateSetter loan in his name. I appreciate that the scammer sent a falsified document to Mr B about the loan. But I can see that the loan application contained Mr B's correct details and that he was sent genuine correspondence from RateSetter to his verified email address. Mr B also contacted RateSetter about the loan

in June 2023 – confirming he was liable for it and asking about reducing the repayment amount.

I understand the loan funds were moved out of Mr B's bank account to another account in his name. And Mr B says the whole thing was a trick by the third-party and he therefore didn't consent to the loan with RateSetter. But I don't agree; I think it's clear Mr B *did* consent to the loan with RateSetter, it's just he didn't realise at the time the third-party was otherwise tricking him.

Mr B has my sympathy in this regard, but I don't think this was RateSetter's fault. RateSetter granted the loan to Mr B in good faith, in circumstances where Mr B was fully aware of the loan and the funds were paid into Mr B's account from where he had use of them.

RateSetter has accepted Mr B has been the victim of a scam and it has now offered to waive the loan fees and interest, on the basis that Mr B would remain liable for the capital sum of £20,000. Given what I've said – about RateSetter not having done anything wrong and unfortunately Mr B being tricked by a third-party which wasn't RateSetter's fault – I'm satisfied this is more than fair.

I appreciate Mr B is finding it hard to meet the loan repayments – and RateSetter should remain sympathetic towards him in this regard. RateSetter hasn't commented on the affordability of the loan in terms of the proportionate checks it carried out at the time of application to ensure it didn't lend to Mr B irresponsibly. And from what I understand, Mr B hasn't specifically complained to RateSetter about that, so I've not made a finding on this point in this decision. But even if we found the lending had been irresponsible – the usual remedy for that would be to direct RateSetter to write off interest and fees from the loan, which it has already agreed to do.

I'm sorry to hear of the situation that Mr B has unfortunately found himself in. But for the reasons I've explained, I don't think that was because of any fault on the part of RateSetter.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision **before 20 March 2024**.

Anna Jackson
Ombudsman