

## **The complaint**

Mr G complains that Inclusive Finance Limited trading as Creditspring (“Creditspring”) is holding him liable for the debt on two loans which he says he neither applied for nor knew about.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, in March 2023 two loans were taken out with Creditspring in Mr G’s name, one for £500 and one for £144. Mr G subsequently got in touch with Creditspring to let it know he hadn’t applied for the loans. Ultimately he couldn’t reach agreement with Creditspring about things, so Mr G referred his complaint about Creditspring 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.

In this case, my first consideration is: did Mr G enter into these two loan agreements, or were they taken out without his knowledge and consent as he alleges? And having thought about this, I’m satisfied here that the loans were most likely taken out without Mr G’s knowledge and consent, and he therefore did not enter into the loan agreements. I say this because:

- Mr G has provided us with a copy of his communications with Creditspring in July and August 2023. From this information I can see that in a communication to Mr G dated 31 July 2023, Creditspring said it paid the £500 loan into a particular bank account held with a third-party bank registered in Mr G’s name and matching the details it holds. Subsequently, however, in an email to Creditspring dated 2 August 2023, Mr G told Creditspring he’d spoken to the third-party bank which had confirmed the name on the account which received the loan funds was a similar name to Mr G’s full name but didn’t match it exactly, and the date of birth was different to Mr G’s; Mr G also explained he’d sent the third-party bank his photo ID and it confirmed this was different to that held on file for the account.
- It appears that Creditspring didn’t then engage expediently with either Mr G or our Investigator on the matter. And it has essentially provided neither information suggesting the loans were taken out with Mr G’s knowledge and consent, nor information showing the third-party account(s) into which the loans were paid were Mr G’s.

- In the absence of information from Creditspring to show otherwise, I'm satisfied, bearing in mind what I've said above, that Mr G's testimony is plausible and persuasive.

Since I'm satisfied Mr G most likely didn't apply for or agree to these loans, I don't think it would be fair for Creditspring to hold him to the terms of the loan agreements he never saw or agreed to. So, Creditspring shouldn't hold Mr G liable for interest and charges, neither should there be any records of the loans on Mr G's credit file – so if there currently are, these should be removed.

Given it appears the loans most likely weren't paid to Mr G either, I'm also satisfied in this case that it wouldn't be fair for Creditspring to pursue Mr G for the outstanding loan funds.

I'm also satisfied Creditspring should pay Mr G compensation of £200 for unnecessary distress and inconvenience it has caused him. This is to reflect that whilst I think it's most likely the third party that took out the loans in Mr G's name without his knowledge and consent is the root cause of things here, from the information I've seen it appears Creditspring didn't then engage as I'd reasonably expect it to, and given the negative credit references recorded against Mr G not being corrected expediently, it has unnecessarily made matters worse for Mr G than they should have been. And I think £200 fairly reflects this.

### **My final decision**

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

- write off the loans against Mr G and not pursue Mr G for any repayment of the loans; and
- amend Mr G's credit file removing any information about the loans and searches; and
- pay Mr G £200 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 March 2024.

Neil Bridge  
**Ombudsman**