

The complaint

Mr M complains that Madison CF UK Limited trading as 118 118 Money ("118 118 Money") is holding him liable for the debt on a loan which he didn't apply for.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, in April 2023 a loan was taken out with 118 118 Money in Mr M's name for £3,000. Mr M subsequently got in touch with 118 118 Money to let it know he hadn't applied for the loan. 118 118 Money investigated things and ultimately couldn't reach agreement with Mr M, so he referred his complaint to us. As an Investigator here couldn't resolve the matter informally, the case has been passed to me for a decision.

I sent Mr M and 118 118 Money my provisional decision last month explaining what I was minded to conclude and why. Now that both parties have had fair opportunity to respond, I'm now ready to explain my final 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 reached the same conclusions as in my provisional decision, and for the same reasons. I've explained my reasons again below, with some further comment where I have deemed this appropriate, to address Mr M's response to my provisional decision.

The material question is: did Mr M enter into this loan agreement, or was it done without his knowledge and consent as he alleges?

Having considered this carefully, I think it's most likely the loan was taken out in Mr M's name *with* his knowledge and consent, and he therefore *did* enter into the loan agreement. I say this because:

- The information I've seen shows the application contained Mr M's genuine details including his correct email address and mobile number. And 118 118 Money has plausibly and persuasively explained that, before it granted the loan and disbursed the funds, Mr M would have been sent a 'signing email' to his email address and a one-time PIN to his mobile number, both of which, together, could be used to complete the application. I've seen no evidence to suggest or persuade me that either of these were sent to anything other than Mr M's genuine email address and mobile number. So, I don't think this loan application could've been completed without access to both Mr M's email account and his mobile phone.
- I take on board that Mr M has said he had his information stolen enabling a third-party fraudster to take out the loan in his name. And he's said he was called and threatened that if he didn't transfer the funds to the third party, men would come to

his house. If Mr M received a threatening call like this, I'm really sorry this happened, and he has my sympathy. However, bearing in mind what I've said above about the loan application process only being able to be completed with access to both Mr M's email account and his mobile phone, I can't see anyway, in this case, how, without access to both of these, the third party could've taken the loan out without Mr M's *knowledge*.

- I've thought really carefully, though, about whether this would mean Mr M didn't *consent* to the loan. But, if Mr M was threatened (and I note that it doesn't appear he's expressly said he was threatened into taking out the loan, only that he was threatened into paying the loan funds away from his bank account), this wouldn't be exactly the same thing as him not consenting to the loan with 118 118 Money.
- 118 118 Money acted only as a lender, lending the money to Mr M in good faith. I haven't seen anything that persuades me, if Mr M was pressured, 118 118 Money ought to have been aware of this at the time. I also understand that whilst Mr M has said he lost the loan funds from his bank account as a result of threats from the third party, Mr M received the £3,000 back from his bank under the Contingent Reimbursement Model Code (CRM), a voluntary code aimed at providing customers with increased protection from authorised push payment scams. Mr M has said that it was a tough year and that, unfortunately, he's already spent the £3,000 refund provided by his bank. But I don't think this is 118 118 Money's fault. And Mr M, having received the funds back from his bank, has benefited from the full £3,000.

I've considered everything Mr M said in response to my provisional decision, including that some other businesses accepted his fraud claims. But these points haven't changed my mind. I must decide this complaint about 118 118 Money on its own merits. And for the reasons I've explained above, I don't think it would be fair for me to tell 118 118 Money to do anything differently, or that it can't pursue Mr M for repayment of the loan.

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 M to accept or reject my decision before 3 July 2024.

Neil Bridge
Ombudsman