

The complaint

Mr P has complained that Monzo Bank Ltd are holding him liable for a loan he says he didn't take out.

What happened

This complaint surrounds a loan which was taken out in October 2022, using Mr P's registered device. The money was paid to his bank account, then spent via bank transfers and card payments. Monzo stayed in touch with the account holder about the loan in the months that followed.

In 2023, Mr P said he hadn't taken out the loan. He says he was unaware of it until he checked his credit file, as he didn't use that bank account much. He confirmed that he hadn't lost his phone, he didn't give other people access to it other than for things like showing them a particular video, and he hadn't given away any of his details or let anyone else access his account.

Monzo held Mr P liable for the loan, mainly as it had been taken out on his registered device, which he'd only recently registered using a live video selfie of himself.

Our Investigator looked into things independently and didn't uphold the complaint. Mr P didn't agree, so the complaint's been passed to me to make a 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.

In doing so, I have read and taken into account everything which both sides have said and provided. But we're an informal dispute resolution service, so we won't necessarily go through every single argument made on a point-by-point basis. Instead, I'll keep my decision focused on what I've found to be the key points in this case.

Broadly speaking, Monzo can hold Mr P liable for the loan if the evidence suggests that he took it out.

I find that the evidence shows Mr P took out this loan. I say this because:

- I'm satisfied from Monzo's technical evidence that the loan was applied for using Mr P's registered device. I can see this was his device as he'd only registered it shortly beforehand, using a live video selfie. The man in the selfie matches Mr P's selfie from when he opened his bank account, and matches his passport. This video of Mr P was taken live on his device – it was not pre-recorded.

- From what Mr P has told us, he didn't lose this device, and only he had the needed access to it and the Monzo app.
- The application was made from Mr P's usual IP address – the same internet connection which was used before and after, including for previous undisputed spending on his bank account.
- The loan funds were paid to Mr P's own bank account.
- The loan funds were spent using a mixture of Mr P's online banking and his card. To clarify, our Investigator was mistaken when they suggested that the funds had not been spent.
- After the loan funds came in, Mr P checked his bank account often – again, from his registered device and the usual internet connection.
- During his chats with Monzo in 2022, Mr P repeatedly referred to this loan as being his. For example, he asked for updates about his loan application, asked to change his repayment date, and when his bank account was blocked he asked for it to be unblocked so he could pay his loan. Again, the chats came from Mr P's device – the only device which was accessing the account, recently registered using a live video selfie of him, on his usual internet connection.

I acknowledge that Mr P says he doesn't recognise the contact details the loan was taken out under; though I've not found anything which substantiates that those details were not his. I also acknowledge that he says a different loan company chose not to hold him liable for a different loan. But overall, given the bullet points set out above, the evidence strongly supports that Mr P took out this particular loan.

As such, I find that it's fair for Monzo to hold Mr P liable for the loan, and to report it on his credit file. This is a difficult message for me to give, and I know it's a difficult message for Mr P to receive. But given the evidence I have, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

My final decision

For the reasons I've explained, I don't uphold Mr P's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 10 January 2025.

Adam Charles
Ombudsman