

## **The complaint**

Mr B has complained that Shawbrook Bank Limited are holding him liable for a debt which was taken out as the result of a scam.

## **What happened**

Mr B fell victim to an investment scam. He thought he was entering into a stocks and shares training agreement via a cryptocurrency account. He allowed the scammers access to his device through screen-sharing software.

The scammers advised Mr B that they'd help him get loans. One of the loans in question was this one with Shawbrook, for £15,000. The money went to Mr B's genuine bank account. Mr B transferred the funds to his crypto account, then onto the scammers, on their instructions. The scammers became aggressive and Mr B realised he'd been scammed.

Shawbrook have held Mr B liable for the loan, including its interest and fees.

Our Investigator looked into things independently and recommended that Shawbrook waive the interest and fees. Shawbrook didn't agree, so the complaint's been passed to me to decide.

## **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.

I understand that Mr B was scammed and was in a vulnerable position, for which he has my sympathy. I know this cannot have been an easy time for him. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened. But I can only consider what Mr B and Shawbrook are responsible for in this dispute between them.

I can't see that Shawbrook had sufficient reason to think it wasn't Mr B applying for this loan. His correct details were provided, the application passed its checks, the agreement was signed using a link sent to his genuine email address, and nothing suspicious was found in the application.

There doesn't appear to be any debate that Mr B either authorised this loan application or that he was otherwise aware of it and let it go through. But for the avoidance of doubt, I'm reasonably satisfied that he did so, for the following reasons:

- Mr B's genuine details were used
- All contact went to Mr B's genuine contact details. And while the scammers could see his screen, Mr B would normally have also been able to see his screen and would've seen the loan application process and the contact about the loan

- As part of the various loan applications involved, Mr B submitted evidence of his identity which included his passport, driving licence, and live selfies of himself
- One of the other lenders spoke to Mr B in detail, and according to that call he was fully aware of the loan and consented to it
- The loan funds were paid to Mr B's genuine bank account, and Mr B confirmed that he was aware of the funds and consented to them being transferred away
- According to Mr B's testimony, he was aware of the loan applications, and he said he took out this loan – albeit under false pretences

As such, while I accept that Mr B was victim to a cruel scam, I find that he ought reasonably to have been aware that this was a loan being taken out in his name which would need to be repaid. Mr B chose to proceed and to transfer the loan funds away. And Shawbrook lent the money to him in good faith. As such, I cannot reasonably tell Shawbrook to write off the loan's principal.

However, even if Shawbrook didn't make an error when lending the loan, they are required to treat customers fairly. That includes treating a customer fairly when Shawbrook finds out that they've been victim to a cruel scam. Mr B was tricked into taking out this loan under false pretences and was in a vulnerable position. He didn't benefit from the loan himself, so it would be unfair and unjust to ask him to pay its interest and fees. Mr B has already greatly lost out because of this scam, and will now have to repay the £15,000 principal. Shawbrook should ensure that he is not penalised beyond that original loss by making him pay interest and fees – to do otherwise in his situation would be unfair. And finally, Shawbrook should generally not be looking to profit from a scammer's financial crime.

As such, I agree with our Investigator that Shawbrook may hold Mr B liable for the loan's principal, but must waive the interest and fees.

### **Putting things right**

I direct Shawbrook Bank Limited to:

- Remove all interest and fees from this loan and to not apply any in future;
- Apply any repayments from Mr B – historic and future – towards reducing the balance of the loan's principal, and not towards any interest or fees;
- Only pursue Mr B for the principal of the loan at most; and-
- Either remove the loan from Mr B's credit file entirely or adjust the current and historic reported balance to remove the interest and fees.

**My final decision**

For the reasons I've explained, I uphold Mr B's complaint in part, and direct Shawbrook Bank Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 1 January 2025.

Adam Charles  
**Ombudsman**