

The complaint

Mr D complains Zopa Bank Limited are unfairly holding him responsible for a £15,000 loan he says he didn't apply for.

What happened

Mr D fell victim to an investment scam following an advertisement he'd seen on social media. Mr D believed he was investing in some AI technology. Mr D was contacted by a "financial advisor" and downloaded a remote desktop access application at his instruction – which gave him access to his phone. As part of the scam, Mr D says the scammer took out three loans in his name, including the £15,000 Zopa loan.

The proceeds of the loan were paid into Mr D's account and then transferred, via another account in Mr D's name, to the scammers. Mr D says he knew loans were being applied for but was assured by the scammer that these were "guaranteed" by the investment company he worked for and would be "annulled" when Mr D had invested the funds.

Mr D complained to Zopa that he was being held responsible for the loan. He wanted the loan written off as he can't afford to repay it.

Mr D referred his complaint to our service. An Investigator considered the circumstances. She said, in summary, Mr D had confirmed to Zopa in a phone call that he had applied for the loan and that it was not being used for investment purposes. So she didn't think Zopa had treated Mr D unfairly by holding him responsible for the loan.

Mr D didn't accept the Investigator's findings. He didn't think Zopa had done sufficient checks on his income, because if they had they'd have found his income wouldn't cover the loans.

As Mr D didn't agree the complaint's been passed to me 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.

It's clear that Mr D has been the victim of a scam and it's had a significant impact on both him and Mrs D. I'm sorry to hear all that they've been through. But that doesn't automatically mean that Mr D can't be held liable for the loan he says was taken out by the scammer. What I'm required to consider in the context of this decision is whether Zopa has treated Mr D fairly by concluding that he should be responsible for the loan.

Generally, a customer cannot be held to the terms of a loan agreement he didn't enter into himself, or was entered into by someone else without his knowledge or consent.

Mr D has told us he knew the scammer was going to apply for the loans using his information, although he was also told that the loans would be "annulled" after the proceeds

had been invested. So I think Mr D consented to the loan being taken out, though I accept he was told it wouldn't need to be repaid by the scammer.

After the initial application was submitted, Zopa referred Mr D's application to manual underwriting. Which means it was referred to a member of staff to review, rather than being automatically approved. Zopa made a call to Mr D to check some details of his application. I've listened to this call.

During the call Mr D confirmed the purpose of the loan was home improvements, as per the application that had been submitted. He also said, when asked directly, that the funds weren't going to be used for investment or cryptocurrency purposes and that he had completed the application himself.

At the end of the call, the Zopa adviser says:

"Just need to make you aware, that Zopa has no dealings with any investment companies of any kind. This is a personal loan and you are therefore liable for the loan payments."

To which Mr D responded "Yeah, OK".

Having listened to the call, it's clear Mr D did not respond truthfully to Zopa's questions, though I think he was likely told to answer in this way by the scammer. But I'm satisfied Zopa asked reasonable questions to satisfy themselves that Mr D was making the application himself and understood he would be liable for the repayments.

Zopa's statement about not being associated with any investment companies and specifying the loan was a personal one which Mr D would be responsible for repaying ought reasonably to have alerted Mr D to the fact that something wasn't right. Particularly since the scammer had told him the loans would be "annulled".

After the loan application was approved, the proceeds of the loan were paid into Mr D's current account. From there, the funds were moved via another account in Mr D's name onto the scammer. Mr D has told us he didn't make these transactions himself but that he gave access codes to the scammer for the remote desktop application, which he believes allowed the scammer to move the money.

Based on what we know about remote desktop access applications, lots of banking apps block screens when they detect these are in use on a device. So it's unclear how the scammer could have made the transactions entirely without Mr D's involvement. But overall, I don't think this makes a difference. Based on what Mr D has said, it seems he knew the scammer intended to move the money. And I can see from another complaint Mr D has made to our service, there were interventions by the two banks involved in the onward movement of the funds. It's clear Mr D spoke to those banks about the transactions and so was aware the money was being moved on.

In these circumstances, Mr D has made use of the funds because they were transferred to the other account in his name.

Overall, I've found Mr D consented to the application being made and then participated in it by talking to Zopa in the call on 24 January 2024.

As I've found Mr D consented to the loan application being made and actively participated in it by taking the call from Zopa and providing false information, I don't think Zopa has treated Mr D unfairly by holding him responsible for the loan.

I'm aware that Mr D has said he can't afford to repay the loan. So I'll remind Zopa of their obligations to treat Mr D sympathetically when attempting to agree a repayment arrangement with him.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 May 2025.

Eleanor Rippengale
Ombudsman