

The complaint

Miss H has complained Admiral Financial Services Limited is asking her to repay a fixed-sum loan she took out as the result of emotional and financial abuse.

What happened

In June 2018, Miss H applied for a loan with Admiral for £25,000. She made this application as the result of emotional abuse carried out by her brother. £22,800 of the loan was transferred to a business operated by Miss H's brother. She retained the other funds. Some of this being spent on a holiday.

Miss H maintained monthly repayments towards this loan until 2021 until her financial hardship intervened. She then entered into a repayment plan with Admiral. She continues to make contracted payments.

In September 2022, Miss H's brother died by suicide. Miss H raised her concerns with Admiral – and other creditors – that she'd been persuaded by her brother to take out this and other financial products to help sustain a business he was involved in. Although she had benefitted slightly, she argued this was money her brother had owed her. She told her creditors she was unable to pay the credit taken out in her name and had only ever made these applications as her brother threatened he was going to take his own life.

Admiral refused to change the terms of Miss H's loan and expected her to repay in full. Miss H brought her complaint to the ombudsman service.

Our investigator noted the situation Miss H must have been in when pressured into taking out the loan. However, she noted that Miss H was aware the loan was being taken out and had benefitted. She wasn't going to ask Admiral to do anything further.

Still unhappy, Miss H has asked an ombudsman to consider her complaint.

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 a slightly amended outcome to the one our investigator reached. I'll explain why although I have already confirmed this to Admiral.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

Firstly, I can see the credit agreement was taken out in June 2018. I can see how this was completed and Admiral's records suggest they discussed this loan directly with Miss H. I can see Miss H's brother's email was attached to the loan.

Based on the evidence both Admiral and Miss H have provided, I'm satisfied that Miss H

took out this loan. She claimed this was for home improvements despite this not being the case.

Miss H has provided our service with detailed personal testimony about what happened within her family. This must have been extremely traumatic, and I can see there will be a long-standing impact from her brother's financial and emotional behaviour. Miss H has told us that other creditors – both her own and those of the rest of her family – have written off loans and credit.

Based on what Miss H told us, I approached Admiral and told them I couldn't see there was any historical attempt by Miss H to defraud Admiral. Particularly bearing in mind the period repayments were maintained. It's also clear that Miss H is keen to avoid any default being added to her credit record.

I asked Admiral whether they would consider removing interest and charges from the overall amount to be repaid by Miss H. I have latterly received their comments confirming they didn't believe this would be appropriate. They re-stated many of the facts relating to this complaint which I have already considered.

Putting things right

On the basis of what happened, I believe it's fair Admiral waive all interest and charges associated with the loan taken out in June 2018. This is generally what we'd ask a credit provider to do when someone is in financial difficulties, and I see no reason to ask Admiral to do differently in this case of emotional and financial abuse.

This means that all the money Miss H has repaid to date repays the £25,000 capital. Admiral will need to calculate how much capital remains to be paid and let Miss H know so she can decide how to make any further repayments if those are required.

I'm sure Miss H will remain unhappy with this outcome, and I can understand why. However, I'm satisfied this is fair and reasonable in the circumstances.

My final decision

For the reasons given, my final decision is instruct Admiral Financial Services Limited to remove the interest and charges from the £25,000 loan Miss H took out in June 2018.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 10 February 2025.

Sandra Quinn
Ombudsman