

The complaint

Mr E complains that MBNA Limited is holding him liable for the debt on a loan which he says he didn't consent to.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In December 2023, Mr E saw an advert on social media for an investment opportunity, which was endorsed by a well-known celebrity. He completed an online form and was contacted by someone I'll refer to as "the scammer", who claimed to work for Company F. Mr E made an initial deposit of £250 before being advised by the scammer to install AnyDesk remote access software and to open an account with an EMI, which I'll refer to as "R".

The scammer also advised Mr E to take out a £10,000 loan to upgrade the R account. She explained he'd be borrowing the funds from F's partner company (MBNA) and that the funds would be repaid. On 25 January 2025 she guided him to transfer the loan funds from Bank T to R, and then on to a scam account, and Mr E realised he'd been scammed when he contacted MBNA to check the loan had been repaid and learned the account was still active.

Mr E contacted MBNA when he realised he'd been scammed. He said he shouldn't be liable for the loan and asked it to write off the loan. MBNA placed the loan on hold for a month and agreed to waive the interest on a temporary basis. But it said he would still be required to pay the monthly payments.

Mr E wasn't satisfied and so he complained to this service. Responding to the complaint, MBNA said the details on the application matched Mr E's details and the funds were paid to his genuine bank account and from there the funds were then transferred to an account in Mr E's name. It said he accepted having applied for the loan in calls to it on 30 January 2023 and 1 February 2024 and that he'd followed the scammer's instructions when he'd completed the loan application and advice to transfer the loan funds. He'd also received the terms and conditions to his genuine email address.

Our investigator was satisfied MBNA had acted fairly and could pursue Mr E for the loan. He noted the loan application was submitted from Mr E's genuine email address, the loan funds were credited to his account on 24 January 2024 titled 'MBNA LOANS', and the Terms and Conditions were sent to his email address. He noted Mr E had said he was aware of and followed instructions to complete the loan application and had seen the funds credited his account. Further, the funds were transferred to another account in Mr E's name, so he was satisfied he'd had use of the funds.

Mr E has asked for the complaint to be reviewed by an Ombudsman.

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've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This reflects the informal nature of our service.

My first consideration is: did Mr E know this loan was being taken out in his name, or was it done without his knowledge and consent. Having considered this carefully, I think it's most likely the loan was taken out in Mr E's name with his knowledge and consent at the time, and he therefore did consent to the loan agreement.

I'm sorry Mr E was scammed. However, this was the fault of the scammers, not MBNA. I can't see it was MBNA's fault that a scammer was able to take out a loan in Mr E's name given the fact he'd allowed her remote access to his device using remote access software.

MBNA has stated that the loan agreement was e-signed from Mr E's genuine email address, emails were sent confirming that a loan was being taken out, and the funds were paid into his account under the reference 'MBNA LOANS'. Mr E says he didn't realise a loan was being applied for in his name, but I'm satisfied he knew the scammer was borrowing money that was then paid into his account, and at the very least he facilitated the application by giving the scammer remote access to his device.

Mr E has described that the scammer told him she was borrowing money, albeit with one of F's sister companies, and that it would be repaid. I accept he believed the loan would be obtained from one of F's sister companies, but he still had knowledge that funds were being borrowed and that they would need to be repaid. Further, the funds were received into Mr E's genuine account, and he then moved the funds out to the scam, so while the funds were lost, I'm satisfied they were used.

Overall, I'm satisfied he knew about and consented to the loan. I couldn't reasonably ask MBNA to write off the principal loan amount unless its acts and omissions unfairly resulted in Mr E's loss; and/or I was satisfied this was a fair and reasonable outcome. Consequently, I'm satisfied that Mr E should be held liable for the principal loan sum.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 25 March 2025.

Carolyn Bonnell
Ombudsman