

The complaint

Mr D complains Shawbrook 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 Shawbrook 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 Shawbrook 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 Shawbrook 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 Shawbrook had treated Mr D unfairly by holding him responsible for the loan.

Mr D didn't accept the Investigator's findings and asked for an Ombudsman to consider his complaint. So 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 Shawbrook 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, Shawbrook 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 he had completed the e-signature on the agreement himself, the purpose of the loan as home improvements and that the payment was affordable. Shawbrook also made specific reference to cryptocurrency and investment scams. The Shawbrook adviser asked Mr D:

"Can you confirm that you have not been asked to obtain funds by a third party with the intention of investing?"

Mr D responded, "I can confirm that no, nobody".

Having listened to the call, it's clear Mr D did not respond truthfully to Shawbrook's questions, though I think he was likely told to answer in this way by the scammer. But I'm satisfied Shawbrook asked reasonable questions to satisfy themselves that Mr D was making the application himself and that he wasn't going to be using the funds to invest.

Shawbrook made reference to the exact situation Mr D was in and referred to it as being a scam. He *had* been asked by someone to take out the loan for investment purposes. I think this ought reasonably to have alerted Mr D that something was wrong.

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 the other 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 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 Shawbrook in the call on 25 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 Shawbrook and providing false information, I don't think Shawbrook 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 Shawbrook 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