

The complaint

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

What happened

In July 2023, Mr F saw an advert for an investment opportunity which was endorsed by a well-known celebrity. The advert suggested he could make good returns by investing in stocks and shares with a company I'll refer to as "B". Unfortunately, the investment turned out to be a scam.

Early in the scam period, Mr F was told that the funds he'd invested had been seized by the cryptocurrency exchange company as the activity was classed as fraudulent and that he'd have to pay £20,000 to release them. He told the scammer he couldn't afford to pay this, and she told him that he could apply for an interest free loan with one of B's sister companies, which he could repay within 14 days using the returns from his investment.

The scammer told Mr F to download AnyDesk remote access software onto his laptop and to set up online banking, and on 25 July 2023, £20,000 was credited into Mr F's account from Zopa. Under the guidance of the scammer, he then transferred the funds to Bank C (an account which he was told to open by the scammer) and then onwards to the cryptocurrency exchange.

Further loans funds were credited into his account on 28 July 2023 and 31 July 2023, which Mr F transferred to Bank C before sending them to the cryptocurrency exchange.

When Mr F discovered he'd been scammed, he complained to Zopa stating that he'd been the victim of a scam and didn't know about or authorise the loan. He said he didn't realise the scammer had taken out loans in his name and when he saw the funds in his account, he'd assumed they had come from B's sister companies. He said the scammer had used AnyDesk to apply for the loan, he didn't receive any emails from Zopa, and the address on the application form was an old address that the scammer had taken from his driving license.

Zopa didn't uphold the complaint. It said that when Mr F first reported the scam on 7 August 2023, he said he had completed the application himself under the instruction of the scammer. But on 28 August 2023, he changed his account and said he didn't know how the loan application was made and that the scammer had taken out the loan.

It commented that Mr F's genuine contact details matched the details it held on file, so all correspondence relating to the loan would have been received. It said confirmation of the loan was emailed to him on 25 July 2023, when the application was approved, the funds were received into his bank account. And his genuine details, including his email address were used during the application process.

Zopa further stated that Mr F accepted he'd moved the funds from Bank N to Bank C and then on to the cryptocurrency exchange and that Bank N had confirmed the account hadn't been compromised. It also said that that if he'd done due diligence, he'd have realised that

Zopa isn't a sister company of B. It concluded that the loan application took place because Mr F willingly gave his personal and banking information to scammer, so the interest would be written off, but the loan would remain in his name, and he was responsible for the repayments of the capital loan sum.

Mr F wasn't satisfied and so he complained to this service, stating that he was led to believe the funds came from B's sister company, and his investment would be released within 14 days so the loan could be repaid early. He said the scammer took out the loan without his knowledge using AnyDesk, he wasn't involved in the application process, and he didn't receive anything from Zopa. He said he wouldn't have applied for the loans because he can't afford to repay them, and he had to google Zopa to find out who they were.

Responding to the complaint, Zopa said there was no adverse payment history on Mr F's credit file at the time of the application and his debt-to-income ratio and disposable income was within acceptable limits. The loan application passed all its upfront credit and affordability checks, and the income stated on the application was verified through Equifax, so additional checks were not required, and the loan was approved automatically.

Further, the application was received from Mr F's genuine email address, and the loan agreement e-signed from the email address. Emails were sent confirming that a loan was being taken out and that a direct debit was being set up for the monthly repayments and the funds were sent to Mr F's genuine bank account.

Our investigator didn't think the complaint should be upheld. She explained that she didn't think Zopa was unreasonable to approve the loan. She commented that when Mr F first contacted Zopa, he said he'd applied for the loan under the instructions of the scammers who had said he'd be able to repay it within 14 days. He later changed his testimony.

She noted that Mr F was sent an email confirming the loan had been approved and providing details about the loan repayments. Mr F had said he didn't receive the email, but she was satisfied it was sent to his correct email address, so he would have received it and ought therefore to have been on notice that a loan application was taking place. She further commented that even if the scammer had deleted the email, she had told him they were taking out a loan with B's sister companies, and were going to be guarantor, so he knew a loan was being applied for.

Our investigator felt it was likely that Mr F followed the scammer's guidance and completed the steps of applying for and accepting the loan, but she explained that even if he wasn't directly involved in the loan application, and it was the scammer who applied for the loan, she was satisfied he'd shared his details, he knew a loan was being applied for in his name, and that he was going to be held liable for the loan.

Finally, she commented that the loan was provided to Mr F in good faith, based on genuine details and the funds were paid into his genuine bank account. So, she didn't think Zopa had treated him unfairly by holding him liable for the loan capital.

Regarding the affordability of the loan, our investigator noted that Zopa had already removed any interest and charges on the loan, so she didn't need to consider affordability.

Mr F has asked for his complaint to be reviewed by an Ombudsman maintaining he wasn't involved in the loan applications.

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.

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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.

Consent

In this case, my first consideration is: did Mr F 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 F's name with his knowledge and consent at the time, and he therefore did consent to the loan agreement.

I'm sorry Mr F was scammed. However, this was the fault of the scammers, not Zopa. I can't see it was Zopa's fault that a scammer was able to take out a loan in Mr F's name given the fact he'd allowed her remote access to his device using AnyDesk, the application contained details of his annual income and employment, and the details on the loan application were genuine, including his email address, bank account, and phone number. I note Mr F has argued that the address on the loan application was an old address and I accept this is because it was taken from his driving license. But this supports that the scammer was using information provided to them by Mr F.

Zopa has stated that the loan agreement was e-signed from Mr F's genuine email address and emails were sent confirming that a loan was being taken out and that a direct debit was being set up for the monthly repayments. Mr F has argued that he wasn't sent any emails or loan agreements. However, the email address and phone number on the loan applications were Mr F's, so it's likely the emails were received. However, I agree with our investigator that even if the emails were intercepted by the scammer, he knew loans were being applied for and at the very least he facilitated the applications by giving the remote access to his device and providing all the information necessary to complete the application. So, I'm satisfied he consented to the loan application.

Significantly, Mr F has described that the scammer told him a loan would be taken out in his name, albeit with one of B's sister companies, and that he'd be able to repay the loan within 14 days. I accept he believed the loan would be obtained from one of B's sister companies, but he still had knowledge that a loan was being applied for in his name and that it would need to be repaid. He also told Zopa that he'd known about the loans when he first made contact. So, I'm satisfied he knew about and consented to the loan.

Further, the funds were received into Mr F'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.

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

Affordability

Zopa has agreed to remove interest and charges for the loan and so I don't need to consider affordability.

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 F to accept or reject my decision before 7 March 2025.

Carolyn Bonnell
Ombudsman