

The complaint

Miss F complains Tesco Personal Finance Limited trading as Tesco Bank is holding her liable for a loan which she says was taken out in her name without her knowledge or consent.

What happened

Miss F received a call from someone I'll refer to as "the scammer" who claimed to work for Company C. The scammer said they'd be able to help Miss F clear her existing unsecured debt if she could pay 40% of the amount up front. He told her to open an account with C and to give him her sort code, account number and her login details for C so he could check she was eligible for the scheme.

Miss F subsequently followed the scammer's instructions to withdraw cash from Bank B and gave it to someone who visited her home address. She contacted Tesco Bank when she received a notification that a loan for £24,000 had been taken out in her name.

Tesco Bank said the loan funds were loaded to Miss F's Bank B account once her details were verified and the loan accepted through a digital signature process. It then sent an account opening confirmation letter to her home address on 20 April 2024. It said Miss F knew the application was being applied for and that the funds were paid into an account in her name. So, it was holding her liable for the loan.

Miss F wasn't satisfied and so she complained to this service stating the scammer applied for the loan without her knowledge. She explained she had believed the scammer worked for C and if she didn't withdraw the cash the loan wouldn't be written off. She said Tesco Bank didn't complete proper checks and the application form had the wrong email address, phone number, and profession.

Responding to the complaint, Tesco Bank said it accepted Miss F was the victim of a scam, but the funds were paid to her own account and then withdrawn at a branch and given to a third party. It accepted it was possible that Mrs F didn't make the application herself, but it maintained she'd known about it. It further commented that there were no signs of coercion and that she was still communicating with the third-party a month later.

Having initially recommended that the complaint should be upheld, our investigator concluded that Tesco Bank had acted fairly in holding Miss F liable for the loan. She explained that she wasn't satisfied that Miss F didn't know about the loan until the funds credited her account because she subsequently withdrew £11,000 in cash from the account the funds were paid into.

Miss F wasn't satisfied and has asked for her complaint to be reviewed by an Ombudsman. She accepts she gave her details to the scammer, but she maintains she didn't make the loan application and didn't know about or consent to it.

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.

In this case, my first consideration is: did Miss F enter into this loan agreement, or was it done without her knowledge and consent as she alleges?

Having considered this carefully, I think it's most likely the loan was taken out by a scammer using personal information which Miss F accepts she gave to them, and that this was done with her knowledge and consent. So, she did enter into the agreement with Tesco Bank.

I say this because the loan funds were paid into an account Miss F held with Bank B, and subsequently paid out to the scam, which is consistent with her having been tricked into borrowing funds to carry out the scammer's instructions. I'm also satisfied that she consented to the scammer taking out a loan in her name with Bank S. So, while I accept Miss F was the victim of a scam, I'm satisfied, on balance, that she knew the loan was being applied for in her name.

Because I'm satisfied that Miss F knew about and consented to the loan, I think Tesco Bank should hold her to the terms of the loan agreement.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 19 October 2025.

Carolyn Bonnell
Ombudsman