

The complaint

Mr R has complained Santander UK plc is asking him to repay a personal loan he didn't take out.

What happened

In 2024, Mr R fell for an investment scam. Mr R initially invested £200 and quickly invested more.

As part of this scam, Mr R believed the scammers applied for three personal loans in his name. One of these was with Santander for £10,000. The application was made on 10 July and the money was paid into Mr R's personal current account with another bank (who I'll call H) five days later.

Mr R became aware he'd been scammed and asked Santander to write off the loan as he'd not applied for it. Santander sympathised with Mr R being the victim of a scam but confirmed he'd had the benefit of the funds paid into his account with H, so would expect him to make the loan repayments.

Since the loan was opened, Mr R has made no payments towards this debt.

Unhappy with Santander's stance, Mr R brought his complaint to the ombudsman service.

Our investigator believed it was possible that the scammers had physically completed the application in Mr R's name. However, she could see that Mr R had received the PIN to activate the loan so she was convinced he knew what was going on. She wasn't going to ask Santander to do anything further.

Mr R was upset as he understood he was to be held liable for considerable funds which he no longer had. He also found it difficult to understand that he remained liable for this (and another loan) when one loan provider had agreed to write off one of the loans applied for. Mr R has asked an ombudsman to make a decision on his 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 the same outcome as our investigator. I'll explain why.

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.

I can confirm I have read all of the evidence carefully, and noted other complaints Mr R has referred to our service. Unfortunately for Mr R I have to confirm that I won't be asking Santander to do anything further. There's no dispute that Mr R has been a victim of a horrible scam, but this alone doesn't mean I can ask Santander to write off the loan.

Both parties know that existing consumer credit legislation says that a customer can't be held liable for a loan if it was taken out by an unauthorised party. However that's not the whole story. Our service also considers whether the party supposedly taking out the loan knew about and benefited from the funds.

Overall, I am satisfied Mr R did know about the credit agreement being taken out even if I accept he may not have applied for the credit agreement himself. I say this based on the following issues:

- I've seen another of Mr R's cases. In that one he discussed a loan – also supposedly taken out for the purpose of home improvements – with the loan provider and confirmed he was taking out the loan himself and it had nothing to do with cryptocurrency and investments. That loan was completed prior to the loan with Santander so I think it's difficult to suggest Mr R wasn't aware of what was going on.
- In the case of the Santander loan, Mr R's personal details (including his account with H) match his genuine details. To ensure activation of the loan, Santander send a PIN to the customer. All the evidence I've seen, shows this was sent to Mr R and he used this to activate the loan. In later phone calls with Santander complaining about the loan, Mr R confirmed he'd received this.
- The fact the loan proceeds were paid into Mr R's personal bank account – which he was then able to use and supposedly invest – confirm Mr R benefited from the proceeds of the loan.
- Mr R has wondered why another bank accepts the loan was fraudulent whilst Santander doesn't. I don't know for sure but different loan providers do use their own parameters for their decision-making.

As I believe it's most likely Mr R knew about this loan, and was able to use the funds, I don't think it would be fair to ask Santander to do anything further.

However, Santander must be aware of the level of debt that Mr R now has. This is a considerable amount of money and if it wasn't for the initial scam and the promise of financial returns, then I'm confident Mr R wouldn't have taken out these loans. I expect Santander to ensure that a suitable repayment plan is agreed with Mr R based on his personal circumstances.

My final decision

For the reasons given, my final decision is not to uphold Mr R's complaint against Santander UK plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 May 2025.

Sandra Quinn
Ombudsman