

## **The complaint**

Miss R complains Zopa Bank Limited are unfairly holding her responsible for a £15,000 loan she says she applied for as part of a scam.

## **What happened**

Miss R fell victim to an investment scam following an advertisement she saw on social media. During the scam, she says the scammers advised her to take out loans to invest and that she'd be able to repay them within a few weeks.

The proceeds of the loan were paid into Miss R's bank account and then transferred to the scammers. Miss R says she didn't realise she was being scammed until she had sent all the money to the scammers.

Miss R complained to Zopa that she was being held responsible for the loan. She wanted the loan written off as she can't afford to repay it. But Zopa said it felt Miss R was responsible for the loan as she had applied for it and Zopa had discussed the application with her during a call on 9 May 2024.

Miss R referred her complaint to our service. An Investigator considered the circumstances. He said, in summary, Miss R had confirmed to Zopa in a phone call that she had applied for the loan and that it was not being used for investment purposes. So he didn't think Zopa had treated Miss R unfairly by holding her responsible for the loan.

Miss R didn't accept the Investigator's findings. She said she had been the victim of fraud, didn't spend any of the money on herself and was disappointed there seemed to be no protection for people in her situation.

As Miss R didn't agree, the complaint's been passed to me to 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 Miss R has been the victim of a scam, and it's had a significant impact on her. I'm sorry to hear all that she's been through. But that doesn't automatically mean that Miss R can't be held liable for the loan. What I'm required to consider in the context of this decision is whether Zopa has treated Miss R fairly by concluding that she should be responsible for the loan.

Generally, a customer cannot be held to the terms of a loan agreement they didn't enter into themselves or was entered into by someone else without their knowledge or consent.

Miss R has told us that she applied for the loan on 8 May 2024, after the scammer suggested it. As Miss R has told us she applied for the loan, I think it's clear that she consented to it.

After the initial application was submitted, Zopa referred Miss R's application to manual underwriting. Which means it was referred to a member of staff to review, rather than being automatically approved. On 9 May 2024, Zopa made a call to Miss R to check some details of her application. I've listened to this call.

During the call Miss R confirmed the purpose of the loan was home improvements, as per the application that had been submitted. Miss R was questioned in detail about the specific home improvements she said she was making because she initially said the money was for a shed and carpet, and the Zopa adviser didn't think it was likely this would cost £15,000. In response, Miss R said there was a lot of work to be done, and she didn't know what the total cost would be. Miss R also confirmed she had completed the loan application herself; she hadn't been asked to make the application by anyone else and it wasn't being used for investment or cryptocurrency purposes.

During the call, the Zopa adviser said:

"So you're aware it'll be a personal loan in your name, and you'll be personally liable for it?"

To which Miss R responded "...of course, yeah".

Having listened to the call, it's clear Miss R did not respond truthfully to Zopa's questions, though she's told us she was told to answer in this way by the scammer. But I'm satisfied Zopa asked reasonable questions to satisfy themselves that Miss R was making the application herself and understood she would be liable for the repayments. And I'm satisfied, at the time, Miss R said she understood this.

After the loan application was approved, the proceeds of the loan were paid into Miss R's current account. From there, the funds were moved onto the scammers. Miss R has told us she moved the funds on herself. Miss R doesn't think she should be responsible for the loan because she didn't keep or spend any of the loan proceeds on herself, it was all sent on to the scammer.

But, at the time, Miss R was using the funds to make what she thought were legitimate investments that she hoped to make money from. So, she has made use of the funds, though I accept she was persuaded to do so by the scammer.

Overall I'm satisfied that Miss R applied for the loan herself and then made use of the funds. While I accept that she did so as part of a scam, I find it's still fair and reasonable for Zopa to hold Miss R liable for the loan.

I'm aware that Miss R has said she can't afford to repay the loan. So, I'll remind Zopa of its obligations to treat Miss R sympathetically when attempting to agree a repayment arrangement with her.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 23 July 2025.

Eleanor Rippengale  
**Ombudsman**