

The complaint

Mr H has complained Admiral Financial Services Limited, trading as Admiral Loans, is asking him to repay a personal loan he didn't take out.

What happened

In 2023, Mr H believes he was taken advantage of by someone pretending to be his friend. Two loans were taken out for £6,000 and £10,000. He initially received money to help repay these, but the money stopped. He's been left with substantial debts and says he didn't take out the loans.

Mr H brought his complaint to the ombudsman service.

Admiral Loans believed they had sufficient evidence to show that Mr H had applied for the loan and had made some repayments. They saw no reason to write off the loan agreement. They also reviewed affordability but didn't believe there was any reason to cancel the outstanding interest due on the loan.

Our investigator believed that Mr H had known all along about this loan and despite him saying he'd been manipulated by someone he knew, she didn't believe this provided a reason for Admiral Loans writing off his loan.

Mr H was upset as he understood he was to be held liable for considerable funds which he no longer had. Mr H 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.

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 H did know about the credit agreement being taken out even if he didn't apply for the credit agreement himself and he benefitted from the credit of the loans into his account. I say this based on the following:

- Evidence from Admiral Loans suggests that his mobile phone and other personal details match those made on the application. I've noted that emails were sent to Mr H at the time of application and funds being made available. These were sent to the

email Mr H still uses.

- The loan proceeds of £10,000 were paid into Mr H's personal bank account – which he was then able to use. This confirms Mr H benefited from the proceeds of the loan. I can see that £10,000 was taken out in branch around the same time as the loan was credited to Mr H's account. Mr H would have been required to present suitable ID at the time of this withdrawal so I'm confident he made this withdrawal.
- Mr H has stated that he didn't have control of his own bank account at the time. I've considered this but on balance I'm not convinced by what Mr H has told us, based on the other evidence I've seen which shows Mr H did know what was going on.
- What I think is most likely is that Mr H agreed to allow loan applications to be made in his name. He was persuaded to believe the repayments would be met by the individuals who he'd given the money to. He didn't think about this all going wrong and was disappointed when they scarpered and refused to make any further payments to him.
- The conversations with the friends Mr H has shared with us suggest he did know what was going on and that loan applications were being made in his name.
- I do have some sympathy with Mr H that Admiral Loans should have been more wary about an application for £10,000 being made by a 20-year-old who then claimed the loan was to buy a car. However, I've seen Admiral Loans calculations of affordability. Mr H lived at home, held a verified bank account and held a job. He didn't have any outstanding debt. So based on industry standards and their process, they felt there was no requirement to carry out further investigations. They have reviewed his bank statements since and confirm these would only have confirmed Mr H's eligibility for a £10,000 loan. I'm aware this loan was made at the same time as a £6,000 loan was also taken out. But Admiral Loans would have been unaware of another loan being taken out at the same time as this application wouldn't yet have appeared on Mr H's credit record.
- It seems to me Mr H only believed this loan was fraudulent when he realised he wouldn't be receiving any further payments to help with repayments.

I've taken note of Mr H's age, his testimony about his character and the impact this must have had on him but I'm not going to ask Admiral Loans to cancel the loan.

However, Admiral Loans must be aware of the level of debt that Mr H now has. I expect Admiral Loans to ensure that a suitable repayment plan is agreed with Mr H based on his personal circumstances.

My final decision

For the reasons given, my final decision is not to uphold Mr H's complaint against Admiral Financial Services Limited, trading as Admiral Loans.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 June 2025.

Sandra Quinn
Ombudsman