

## **The complaint**

Mrs J complains about the actions of Zopa Bank Ltd in relation to a loan taken out in her name that was linked to a scam.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In April 2023 Zopa received an application for a £20,000 loan in Mrs J's name.

Zopa followed their process which in this case included them calling Mrs J to confirm certain details and the purpose of the loan. The loan funds were paid into an account in Mrs J's name and repayments were received for a number of months. Then Mrs J contacted Zopa and told them that she'd fallen victim to an investment scam. In a broad summary she said the funds had been sent on, on the promise of receiving a return. Zopa investigated and whilst they sympathised with Mrs J they ultimately said she was liable to repay the loan.

Mrs J complained, she didn't think the loan was affordable for her, or that she'd been treated fairly. Zopa didn't uphold her complaint, and the matter was referred to our service. One of our Investigators didn't recommend that the complaint should be upheld. Mrs J disagrees and has asked for an Ombudsman to review her 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 overall outcome as our Investigator, and for similar reasons. I know this will be disappointing for Mrs J, so I'll explain why.

Firstly, I want to acknowledge that I accept Mrs J has been the victim of a cruel and callous scam. I also know that scammers are incredibly persuasive and devious, and Mrs J is not alone in being tricked as she was. This is something that has unfortunately, been increasingly prevalent in recent years.

However, just because Mrs J has been a victim of crime, this doesn't automatically mean that Zopa should write off the loan as she'd like. My role requires that I remain impartial. So, despite my natural sympathy for Mrs J and the difficult situation she finds herself in, I still need to carefully consider the actions of Zopa and whether they have caused her any detriment.

Mrs J doesn't dispute applying for the loan. And I don't think Zopa reasonably could've known at that point that Mrs J was being tricked into applying for it. Indeed they mentioned that they aren't linked to any investment companies and had Mrs J confirm that she wasn't using the loan towards cryptocurrency or similar on their security call before releasing the

loan. The personal identity information provided was correct and the funds were also credited to an account in Mrs J's name. So, I don't think there were any failings by Zopa in that regard. Mrs J has also shared information about her personal situation including her health. And again, whilst I sympathise with her difficulties, in the circumstances here, this isn't, on its own, a basis upon which I could fairly ask Zopa to write off the loan as Mrs J would like. Mrs J entered into the agreement to borrow that money, and Zopa paid it into her account. So even though Mrs J is in a difficult position, I don't think that is sufficient to fairly mean that Zopa can't pursue her under the terms of the agreement she entered into with them.

Mrs J has also alleged that the loan was unaffordable for her. Zopa are required to conduct reasonable and proportionate checks to ensure that their customers are able to repay any lending in a sustainable way. I also note that there were other loans taken out around the same time as the Zopa loan. And I can quite understand why Mrs J thinks these should've been taken into account. But the credit reference agencies don't instantaneously report information about new loans. And so I don't think Zopa reasonably could've known about the other loans taken around the same time – as they weren't reflected in the checks they conducted. And my assessment must be on the basis of the decision Zopa took at the time, with the information available to them. Rather than a retrospective assessment based on the situation now – I'll come on to Mrs J's current situation below.

As part of her complaint submission, Mrs J completed an 'income and expenditure' form in September 2024. She has confirmed that her situation was effectively the same at that time and hadn't changed since May 2023 when the loan was issued. This recorded that she lived alone and had a monthly income of just over £2,500. I think this is most likely a realistic reflection of Mrs J's income at the relevant time and it is also broadly reflected by some bank statements I've seen from the months prior to the lending decision. Mrs J's own evidence also supports that her rent payments were just under £400 per month.

With these factors in mind, even if Zopa ought to have gone so far as to request statements and other evidence from Mrs J when making their lending decision, I'm not persuaded they would've found anything where they should've concluded that the lending was unaffordable at the time. I think it's most likely that there was enough headroom for Mrs J to afford the monthly repayments in relation to the Zopa loan. And as I've covered above, Zopa wouldn't reasonably have been aware of the other loans taken out around the same time.

So as I don't think Zopa's decision to lend was unreasonable, I can't fairly expect them to do more for that reason. I would however like to highlight to Zopa, that this isn't the only loan Mrs J has in her name that is linked to the scam. And also that she faces some difficult personal circumstances and challenges. So, I'd expect Zopa to treat her positively and sympathetically in relation to the outstanding debt and to work with her to agree an affordable path forward, based on her current situation as it stands.

As I said at the start, I'm genuinely sorry to hear that Mrs J lost the money she did to a scam. But as I don't think this is something Zopa are responsible for, or that they've treated her unfairly in the circumstances here, I hope she understands why I can't require them to do more to resolve this complaint. I also understand Mrs J's strength of feeling on this matter, and I'd like to remind her that she is under no obligation to accept my decision. If she doesn't, it won't be binding on either party, and she would be free to continue her dispute through other avenues, such as the courts, if she chooses to do so. If this is something Mrs J is considering, I'd recommend that she seeks independent legal advice before proceeding.

**My final decision**

For the 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 Mrs J to accept or reject my decision before 23 July 2025.

Richard Annandale  
**Ombudsman**