

## **The complaint**

Mr R complains that Zopa Bank Limited is holding him responsible for a loan which he says was taken out fraudulently in his name.

## **What happened**

Mr R says he is the victim of an investment scam. As part of the scam, he says the fraudsters applied for three loans in his name, one of which was with Zopa. The Zopa loan was taken out in June 2024 for £20,000. Mr R says the money was sent to the fraudsters, via his current account with another provider, along with a significant amount of his savings.

In August 2024 Mr R says he realised he had been scammed, after he didn't receive the money he was promised. He contacted the various lenders and his current account provider to report the fraud. Zopa said it thought that the loan application it received wasn't made fraudulently. It said it had completed a security phone call with Mr R and it had been provided with photo ID and a bank statement, and it believed Mr R had applied for the loan.

Mr R made a complaint but Zopa maintained that it had done nothing wrong in granting the loan. It said that it hadn't however updated Mr R's email address as quickly as it should have done after he complained, and it offered him £50 for that.

Mr R referred his complaint to us. Our Investigator didn't recommend that the complaint should be upheld. She concluded that Mr R had consented to the loan being taken out and that Zopa had acted reasonably in granting the loan.

Mr R didn't accept that. He asked for an Ombudsman's review, and said another lender had written off a loan that was taken out as part of this scam.

## **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.

I was very sorry to read what Mr R has told us about having been the victim of a cruel scam and the extent of his losses. However, having carefully considered the evidence and all the circumstances, I find I can't reasonably conclude that Zopa isn't entitled to hold him responsible for this loan.

As a starting point, Mr R shouldn't be held responsible for the loan if he didn't agree or consent to it. He has said that he didn't apply for the loan and he has provided documents sent to him by the fraudsters, including a document saying that the £20,000 was "temporary liquidity" and Mr R wouldn't have any obligations to Zopa.

The completed application Zopa received was for a £20,000 loan for home improvements. It included Mr R's correct personal details, apart from an email address which Mr R says was not his. I can see that the fraudsters could have had all of this information. However, Zopa's records show that it carried out a security phone call with Mr R before granting the loan. It

has provided a recording of that call, which I've listened to. It's a short call lasting under five minutes, with Mr R returning a call he had missed from Zopa.

The Zopa representative explained that Zopa had tried to contact Mr R about the loan application he had made for £20,000. The call then went as follows:

Zopa: "What was the purpose of this [the loan]?"

Mr R: "It's for home improvements."

Zopa: "What home improvements is it that you're doing?"

Mr R: "The kitchen and then the bathroom as well."

Zopa: "OK, so just to confirm, none of the funds are going to be used for any investments or cryptocurrency."

Mr R: "No."

Zopa: "And did you make this loan application yourself?"

Mr R: "Yeah."

Zopa: "Now just to make you aware the loan will be in your name and the payments are solely your responsibility, OK?"

Mr R: "Yeah."

Zopa then confirmed that it had the correct phone number for Mr R and asked him for his email address. Mr R gave the email address which was on the completed loan application and said it was his own personal email address which Zopa could use to contact him. He also confirmed the information on the application about his employer, job title and annual income.

Mr R hasn't said that he didn't make that call, and the voice on the call appears to match the calls he has made to us about his complaint. Overall, I find that the available evidence points to Mr R having agreed to this loan. Zopa asked him questions to establish that the loan was for the purpose stated in the application and to try to protect Mr R from potential fraud, and I think it acted reasonably in the circumstances. I can't fairly conclude that it shouldn't have granted the loan.

For these reasons, I don't require Zopa no longer to hold Mr R responsible for the loan. I've noted that another lender has agreed to write off a loan, but the circumstances of the other lender's decision to lend will be different and that lender's decision doesn't mean I must make the same decision in this complaint about Zopa. I would however expect Zopa to treat Mr R positively and sympathetically in relation to repayments should he experience difficulty in making them.

Finally, I note that Zopa has accepted it didn't update Mr R's email address when it should have done. There was a slight delay in Mr R receiving some emails about his complaint as a result. I think Zopa's offer of £50 is fair in recognition of the inconvenience this caused Mr R.

### **My final decision**

My final decision is that I don't uphold this complaint, in the sense that I don't require Zopa to

do any more to put things right. Zopa Bank Limited should pay Mr R £50 in settlement of this complaint if Mr R wishes to accept that.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 March 2025.

Janet Millington  
**Ombudsman**