

THE COMPLAINT

Mr H's complaint is about a Santander UK PLC ("Santander") loan taken out in his name. Mr H argues that he did not consent to the loan.

Mr H has a representative in this matter. However, I will refer to Mr H solely in this decision for ease of reading.

WHAT HAPPENED

Mr H has said that his former partner, whom I will refer to as "N" in this decision, successfully applied for a £2,500 loan in his name without his consent ("the Loan"). The Loan was applied for via Mr H's online banking. It was credited to Mr H's Santander's account in April 2022. Mr H has described his relationship with N as, "coercive and controlling". He has also submitted, *"This fraudulent action only came to light once I had left the abusive relationship in November 2023 and sought control over my bank account with the help of my father ..."*

Due to the Loan falling into arrears, it was passed to a debt recovery agency.

Mr H raised the above with Santander in November 2023. Unhappy with its response, Mr H raised a complaint, which he also referred to our Service. Two of our investigators considered the complaint and did not uphold it. As Mr H did not accept the investigators' findings, this matter has been passed to me to make a decision.

WHAT I HAVE 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 find that the investigators at first instance were right to reach the conclusions they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Scenarios

Below are three possible scenarios in this case:

- a) Mr H consented to the Loan by taking it out himself.
- b) Mr H provided authority (and therefore consent) to a third-party – such as N – to take out the Loan.

c) N took out the Loan without Mr H's authority/consent.

In scenarios (a) and (b), Mr H would be liable for the Loan. In scenario (c), Mr H would not be liable for the Loan.

Which scenario applies?

Mr H denies consenting to the Loan himself. He also denies providing authority to N to take out the Loan. Therefore, I have reflected on whether it is likely scenario (c) applies in this matter, rather than (a) or (b). Having done so, I am not persuaded that it does.

It is not disputed that the Loan was applied for via Mr H's online banking. What is in dispute however is who did this. Mr H suggests that N might have 'shoulder surfed' him to obtain his online banking details. Thereafter, Mr H says N used those details to login to his online banking and apply for the Loan, which was approved.

I acknowledge that what Mr H has suggested is plausible. However, I find that the plausibility of Mr H's suggestion diminishes when considering the below key points. In summary:

- Mr H's details, such as his mobile number, home and email addresses, were used in the Loan application.
- Santander states that a pin code was sent to Mr H's address via post. On 11 April 2022, the loan funds were released to Mr H's bank account when the pin code was used. Further, Santander states that a welcome letter regarding the Loan would have been sent to the same address – and later in the timeline – arrear letters due to unpaid direct debits. Mr H denies receiving the pin code or the letters. Mr H has not provided any persuasive explanation as to why he did not receive the pin code or letters.
- A monthly direct debit was automatically set up on Mr H's account for repayments towards the Loan. Several of these direct debits were collected in 2022. I find it unusual that Mr H did not notice these payments leaving his account, nor the actual Loan on his online banking – something which Santander has confirmed would have been visible on Mr H's account. I would have expected a reasonable person in Mr H's circumstances to have noticed these things, particularly given Mr H has not suggested that he was not able to login to his online banking during the period concerned.
- Mr H's account received payments from N's account before and, importantly, after the Loan was taken out. Given the nature of this case, I would not have expected to see money credited to Mr H's account from N's.
- Mr H took out a loan before the one concerned, which he has not disputed. After the proceeds of that loan were credited to Mr H's account, I can see that several transfers were made from Mr H's account to N's account with 'loan' as a reference. When the proceeds of the Loan concerned were credited to Mr H's account, transfers to N's account with the same reference followed. I find this to be a striking feature of this case. I say this because the transfers demonstrate a pattern. A pattern whereby a loan is taken out in Mr H's name, and thereafter the proceeds are transferred to N's account with a specific reference. If Mr H has done this before, it is not unreasonable to suggest that the same process has happened again.

In my view, the above are a combination of persuasive factors – that when taken as a whole,

diminish the plausibility of Mr H's assertion that N took out the Loan without his consent. Therefore, on the balance probabilities, I am persuaded that either scenario (a) or (b) occurred in this matter. It follows that I find Santander dealt with the Loan and subsequent issues relating to it fairly.

Other points

Mr H says that false/incorrect information has been used in the Loan application. He contends that this should have been a red flag to Santander. Mr H also argues that this false/incorrect information is an 'indicator' that he did not make the application. It is not necessary for me to make a finding on whether some of the information in the Loan application might be false/incorrect. Even if this point has some merit, my position would remain the same. I say this because, as I am satisfied that either scenario (a) or (b) occurred in this matter, I am persuaded that an intervention from Santander would not have made a difference in circumstances. Mr H would have likely corrected whatever information would have been necessary to process the Loan application. I also do not find that any false/incorrect information on the Loan application is an indicator that Mr H did not make it – much for the same reasons I have set out above.

Mr H has made some comments about the debt recovery agency the Loan debt was passed to, their attempts to locate him and contact information they held for him. I have considered these points. Having done so, I do not find they have any bearing on the substantive issues in this complaint – particularly around consent regarding the Loan.

I note that Mr H has made some reference to N making payments from his account without his consent. This was not dealt with in Santander's final response, nor in its submissions to our Service. Further, Mr H's submissions post the investigators' findings seem to focus primarily on the Loan. Given this, and the nature of Mr H's complaint, I think it would be more sensible if this matter was raised separately with Santander (if Mr H wishes to do so).

Finally, Santander has confirmed that it is willing to review this case again once the police investigation has concluded.

Compensation for distress and/or inconvenience

Santander has offered Mr H £200 for, in short, its delays in raising a fraud claim which resulted in him receiving letters from the debt recovery agency. Having considered this offer, I find that it fairly reflects Santander's failing in this regard and resulting distress and inconvenience for Mr H.

I note this offer was put to Mr H, but he refused it. If he would like to accept it now, I suggest he reaches out to Santander.

Conclusion

Taking all the above points together, I do not find that Santander has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Santander to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 October 2025.

Tony Massiah
Ombudsman