

The complaint

Mr B complains that Zopa Bank Limited did not write off a loan he says he did not take out himself.

What happened

I will set out the same summary that was in the provisional decision:

Mr B and his wife, Mrs C, fell victim to an investment scam. They say that as part of this scam, their computer and bank accounts were hacked, and a number of loans were taken out in their names fraudulently. One such loan was with Zopa and this was a £15,000 loan taken out over four years. This was completed online via an online comparison website and was approved on 28 July 2022, with an initial repayment due on 28 August 2022.

Mr B says he was told by the scammer that some of the profits from the investment would be paid back as a loan by Zopa and that Zopa was a part of the investment company. A few days after the loan was received into his current account, he received a text from the scammer that stated "*Your loan of £15,000 over four years is paid off. We'll charge £30DPD when the commission will be paid off. We'll cancel the direct debit...*". However, when a direct debit left his current account for the loan, he realised the loan had actually been taken out in his name.

Mr B raised a complaint with Zopa and asked for the loan to be written off in full. Zopa reviewed the evidence in full and felt it was more likely Mr B was aware of the loan and that he willingly gave third-party access to his devices without completing due diligence. They agreed to clear the interest from the loan, totalling £2,464.65 and this has already been completed. But they did not agree to write off the loan in its entirety.

Mr B referred the complaint to our service and our Investigator looked into it. They felt it was more likely Mr B neither applied for nor agreed to the loan, and as he did not benefit from the capital, they did not think he should be held liable. So, they recommended Zopa write off the outstanding debt and remove any reporting of the loan from Mr B's credit file. And they felt the £100 compensation offered by Zopa was fair in the circumstances.

Mr B accepted the outcome, however Zopa did not. They felt the evidence suggested Mr B was aware of the loan when it was taken out and did not agree they should be liable for the capital.

The case was passed to me for review and after considering the evidence and asking some additional questions, I came to a different outcome to that of the Investigator. My provisional decision read as follows:

Having reviewed the evidence available to me, I currently think Zopa acted reasonably when it held Mr B liable for the capital of the loan. I wanted to give both parties the chance to review my initial findings before I issue a final decision.

I've firstly reviewed the application evidence. I can see that the loan was applied for via a

loan comparison website, this was therefore an online and automatic application. I can see that the customer information inputted into the application including the name, date of birth, address, employer and e-mail address all matched Mr B's correct information. The only information that was changed by Mr B at a later date, as he says it did not belong to him, was the mobile phone number. However, as there is currently nothing linking the incorrect phone number to the scammer, this alone is not evidence that Mr B has been the victim of identity theft.

Zopa sent multiple e-mails to the e-mail address in the application, which matches a previous e-mail address accessible to Mr B. Prior to them approving the loan, Zopa e-mailed Mr B and asked for some additional information in order to complete the application. I can see that this additional information was provided via e-mail. As I am satisfied this e-mail and the others were sent to an active address Mr B had access to, the scammer would have needed to intercept, respond to and then delete them all before Mr B or his partner had seen them. It would also require the scammer to have been able to hack into Mr B's e-mail account without him realising and I currently have not seen a point of compromise where this could have been possible. I appreciate they have said they found screen sharing software on their computer at a later date, but they would have needed to knowingly download this and give authorisation for the scammer to access their device each time a session was activated. But this does not appear to match what Mr B has said.

As part of the application process, Zopa asked Mr B to provide a photo of himself to show it was him making the application. He did so, and I have seen a copy of this photo. Importantly, it is a different photo to the one he provided for an application for an account he opened as part of the same scam. I therefore think it is more likely Mr B provided this photo with the expectation it would be used for another application.

Following this, Mr B was also asked to provide a video of himself for the application process. While Zopa no longer has a copy of this video, I can see that the member of staff at Zopa who carried out the internal investigation into the loan application complaint reviewed it. Their notes show they were happy the video matched Mr B and I therefore think it is more likely the video was of Mr B. It is unclear why Mr B would have needed to provide a video to the scammer. On balance, I think it is more likely he was aware it was needed for the application.

In addition to this, I think there is some inconsistency in Mr B's version of events. In the call to Zopa where he raised the claim, Mr B said that he received an e-mail from the scam company telling him not to worry about the loan as it would be null and void, but he later checked his current account and saw a payment had gone out for the loan which he was not expecting. However, the initial loan payment was debited on 28 August 2022 whereas Mr B initially called Zopa to inform them of the fraudulent loan on 17 August 2022. Mr B was therefore aware of the loan prior to the initial payment debiting his account, which is different to what he told Zopa. While I appreciate memories can fade over time, the difference in testimony occurred just two weeks after Mr B first raised the claim. It is therefore difficult to place much weight on Mr B's testimony.

I have not seen any communications between Mr B and the scammer that corroborates what he has said about the loan. I appreciate Mr B has provided a text which states it is from Zopa and dated 5 August 2022. While this may indicate the scammer deceived Mr B into thinking the loan had been paid off, it does not evidence that Mr B did not take out the loan himself, on the understanding it would be paid off by the scammers. But I have not seen any texts or e-mails in which Mr B was told a loan credit would appear in his account but that this was not actually a loan in his name. Despite the fact Mr B told Zopa he had received such an e-mail from the scammer. Such evidence may have a bearing on the outcome of this complaint.

Currently the evidence I have available to me is an application form which almost completely matches Mr B's information apart from the mobile phone number, as well as a selfie and video of Mr B which was used to authorise the loan. While I appreciate Mr B says his bank accounts and e-mail accounts were hacked, the scammer would have needed to quickly intercept a number of e-mails without being spotted which I think is unlikely, and I have not been given an explanation as to how this could have occurred. And I have a lack of evidence showing the scammer advising Mr B of the loan, as well as some inconsistencies in Mr B's story.

With all of this in mind, I'm currently minded to agree with Zopa that the evidence suggests Mr B was aware of the loan. I do appreciate other banks have written off other loans connected to the scam, but based on what I've seen so far on this complaint I think Zopa have acted fairly when it offered to write off the interest, but not the capital of the loan.

Zopa responded and accepted my provisional findings.

Mr B responded and raised a number of points. In summary he said:

- Other companies that the scammer attempted to take out loans with flagged these and the loans were not completed.
- He cannot locate any e-mails from Zopa going to his old e-mail address, and the complaint handler at Zopa said no contact was made.
- He confirmed the scammer only asked for proof of identity, but they did not ask for a photo or video of himself.
- He mentioned that Zopa had offered him £100 compensation for their poor service.

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 carefully considered Mr B's additional comments, I still think that the evidence suggests Mr B was aware of the loan. I do appreciate his comments that other loan providers did not process separate loans that were applied for, however I can only focus on the relevant evidence on this case, which includes the information and evidence provided in the Zopa loan application. And this suggests to me it's more likely Mr B was aware of the loan.

Mr B has said that the scammers did not ask him for photos or videos in order to set up the accounts connected to the scam and only asked for proof of identity. However, I have seen two separate photos of Mr B, one of which was used to open a third-party account in his name and one that was used to apply for the Zopa loan. As mentioned in the provisional decision, while I have not viewed a copy of the video that was used as part of the application process for the Zopa loan, a member of staff at Zopa did and has confirmed the individual in it matched Mr B's photo. With this in mind, I am satisfied genuine photos and videos of Mr B were used to obtain the Zopa loan. As Mr B has confirmed the scammers did not ask him for these, I think it is more likely he provided these himself in order to obtain the loan.

Mr B has said he did not receive any e-mails to the old e-mail address in relation to the loan application. However, I have seen evidence from Zopa showing a log of the e-mails sent to him at the time of the application and they have confirmed these went to the e-mail address on the application form, which Mr B has confirmed was his wife's e-mail address that she no longer uses. These show an e-mail was sent to that address asking for more information to verify Mr B's identity. Just 44 minutes later, the additional information had been received, and the loan had been set up.

As I explained in my provisional decision, in order for Mr B to not be aware of these e-mails, the scammer would have had to hack into the e-mail account without Mr B or his wife realising and I have not seen a point of compromise where this could have been possible. And while they have said they found screen sharing software on their computer at a later date, they would have needed to knowingly download this and give authorisation for the scammer to access their device each time a session was activated. And this does not tie in with what they have said previously.

I am therefore still of the opinion that the evidence suggests Mr B was aware of the loan. I therefore think Zopa's offer to write off the interest but hold him liable for the capital the loan is fair and reasonable. I note Zopa did offer Mr B £100 compensation. If it has not paid this already, it should do so.

My final decision

I do not uphold Mr B's complaint against Zopa Bank Limited as I think their previous offer to write off the loan interest and hold him liable for the capital of the loan was fair.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 July 2025.

Rebecca Norris
Ombudsman