

The complaint

Mr B complains MBNA Limited are holding him responsible for a £15,000 loan he says he applied for as part of a scam.

Mr B is represented in this complaint, but I've referred mostly to him.

What happened

In May 2024, Mr B fell victim to an investment scam following an advertisement he saw on social media. During the scam, Mr B says the scammers persuaded him into taking out several loans and that he'd be able to repay them from the substantial returns he would receive on his investments.

The proceeds of the loan were paid into Mr B's bank account and then transferred to the scammers. Mr B says he didn't realise it was a scam until July 2024.

Mr B complained to MBNA that he was being held liable for the loan. He wanted the loan written off since it was obtained as part of a scam and he'd not benefitted from it. But MBNA said Mr B was liable for the loan because he'd given the scammer access to his device.

Mr B referred his complaint to our service. An Investigator considered the circumstances. He said, in summary, Mr B had told us he consented to the loan applications and he'd made use of the funds. So, in those circumstances he didn't think MBNA had treated Mr B unfairly by holding him responsible for the loan.

Mr B didn't accept the Investigator's findings. He said he'd been the victim of fraud and though he had authorised the loan and used the money, he shouldn't be held responsible for it in these circumstances. He also noted that another financial provider had written off a loan that was taken out in the same circumstances and was hoping that MBNA would do the same.

As Mr B didn't agree, the complaint's been passed to me to decide.

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.

There's no dispute Mr B's been the victim of a scam and his representatives have provided a detailed explanation of Mr B's circumstances. So I'm aware the scam happened at a time when Mr B was receiving treatment for a serious illness, and that he remains in serious ill health now. I'm sorry to hear of all that he's been through. However, that doesn't automatically mean Mr B can't be held liable for the loan. What I'm required to consider is whether MBNA have acted fairly by holding Mr B liable for the loan.

Generally, a customer can't be held to the terms of a loan agreement they didn't enter into themselves, or was entered into by someone else without their knowledge or consent.

Mr B has told us he granted the scammers access to his device, who made several loan applications – including the £15,000 MBNA one, with his consent. Since Mr B consented to the application, he would have been aware that he was borrowing money and that it would need to be repaid.

After the loan application was approved, the proceeds were paid into Mr B's current account. From there, the funds were moved onto the scammers. Mr B has told us he moved the funds himself. Mr B's representatives say Mr B derived no meaningful benefit from the loan proceeds, since he transferred them all to scammers. But, at the time, Mr B was using the funds to make what he thought were legitimate investments that he hoped to make money from. So while that turned out not to be the case, I'm satisfied Mr B made use of the funds.

Mr B's representatives feel strongly that Mr B can't fairly be held liable for the loan in the circumstances since he was manipulated by scammers to take out the loans and because of his vulnerability, having been so unwell when the scam took place. I do understand why they feel that way and why they feel so strongly. And I appreciate that another financial provider has taken the decision to write off a loan taken out as part of the scam, however that has no bearing on my decision against MBNA. Being the victim of a scam such as this, by its very nature, will be distressing and likely have a lasting emotional and financial impact on the victim. Exacerbated in this case, by Mr B's health. But, considering the circumstances, I don't consider it would be fair and reasonable to conclude MBNA is responsible for the actions of the scammers.

Mr B is also unhappy that MBNA continued to ask him to make repayments even though the account was being disputed and he was vulnerable. But while the investigation was ongoing, Mr B continued to be bound by the terms of the agreement. So I don't think it was unreasonable for MBNA to ask that payments were made.

Overall, I'm satisfied Mr B consented to the loan and then made use of the funds. While I accept that he did so as part of a scam, I still find it's fair and reasonable for MBNA to hold Mr B liable for the loan.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 September 2025.

Eleanor Rippengale
Ombudsman