

The complaint

Mr B has complained that Zopa Bank Limited (Zopa) are holding him liable for a loan he did not take out.

Mr B's son and daughter represented him with his complaint.

What happened

Mr B states he fell victim to a scam after expressing an interest in an investment opportunity he found on social media.

On registering interest, he was contacted by two individuals, who shared information about the investment opportunity and convinced him into making investments. They conversed with him over Zoom and WhatsApp messages. Mr B states he initially started out by investing money he already had, but when that ran out, he was persuaded into taking out loans with various providers. The individuals sent him videos to show how this method of investing could benefit him.

Mr B states that it was these individuals that applied for the loan with Zopa and although it is unclear how they gained access to his device, it is presumed by Mr B that they gained access using Zoom and made the applications by accessing clear score.

Mr B confirms that he shared a copy of his driving licence, proof of address and bank account details with the third party.

A loan was applied for with Zopa for £5,000 on 6 June 2024 and the proceeds were paid into Mr B's existing bank account before he transferred it on.

On 10 July concerns were raised with Zopa when Mr B realised what had happened and that he had been scammed.

After looking into the matter, Zopa held Mr B liable for the loan as it felt that Mr B was complicit in sharing his personal details which enabled the loan application to succeed, and he had been aware and provided consent for the loan.

Mr B has brought his complaint against Zopa to this service along with other complaints, relating to other loan applications that were made with other providers around the same time. Mr B states these were also made by the same individuals.

Our investigator considered Mr B's complaint against Zopa but did not uphold. She was of the view that Mr B was aware of the loan application and that it was being taken to fund the investment.

As Mr B remained unhappy with the outcome, he asked that an ombudsman consider his 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.

It's important to highlight that with cases like this I can't know for certain what has happened. So, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

Having done so, I've reached the same outcome as our investigator for broadly the same reasons, in that it is reasonable for Zopa to pursue Mr B for the loan.

I realise this will be upsetting for Mr B to hear, and I don't doubt that Mr B fell victim to a cruel scam. And I want Mr B to know that this has been a difficult message for me to deliver.

I'm also very sorry to hear about Mr B's health and I can appreciate that he has been struggling to cope with what happened. I know this cannot have been easy for him to go through. But when looking at what happened here, I have to be mindful that it's ultimately the scammers who are primarily responsible for the loss Mr B has experienced. And in this case, I can only consider what Mr B and Zopa are responsible for.

So, on considering this matter, my focus has been on the actions of Zopa and whether it has acted reasonably towards Mr B. In doing so, I've carefully reviewed all the evidence presented including information from Zopa and Mr B, to get an understanding of what happened. Including submissions made on the other complaints which I have seen that Mr B has referred to this service.

I can see that significant submissions have been made by both parties. And I'd like to assure Mr B that if I don't mention a particular point, it's not because I haven't considered it, but I've focused instead on what I believe to be important to the outcome of this complaint.

I can see that Mr B's representatives have also raised concerns with the receiving bank so that Mr B's case can be considered based on him falling victim to an Authorised Push Payment scam (APP). To be clear, this would not apply in this complaint against Zopa. Existing consumer credit legislation states that a customer can't be held liable for a loan if it was taken out by an unauthorised party. So, what I have to decide here is whether or not Mr B applied for the loan himself or authorised someone else to do so on his behalf.

I can see that Mr B has confirmed that it was the scammers that took out the loan. I can also see that Mr B's representatives have said that he was persuaded into agreeing to the taking out of loan for the purpose of investing the proceeds for future gains – albeit – not realising the implications of doing so at the time. And it only came to his attention much later when he realised, he had been scammed. It has also been mentioned that the scammers gained access to Mr B's device which enabled them to make the loan application with Zopa.

Mr B accepts he provided his driving license, bank details and other personal details to the scammers which then enabled them to meet Zopa's identification criteria.

I have considered what Mr B has said happened, and I can see that our investigator asked whether Mr B spoke to Zopa prior to the loan being agreed and Mr B said he did not. But on reviewing what Zopa has presented, it seems that there is some inconsistency in what Mr B has told us.

Specifically, I can see Zopa made a security call as part of its underwriting process, which I am satisfied was with Mr B, to verify his reasons for taking out the loan. Despite Mr B being aware at that point that it was to be used to fund a legitimate investment – as he thought was the case at that time – when asked by Zopa he denied that this was the case and instead said the loan was to be used for home improvements. Which contradicts what Mr B said he was led to believe. This suggests to me that Mr B was aware of the loan being taken in his name and that he wasn't truthful with Zopa as to its purpose of the loan. On review, I think what was discussed should have raised some red flags for Mr B.

Based on what I can see from the WhatsApp messages Mr B has provided; I acknowledge that he was told to provide a dishonest response by the scammers. But I'm conscious that although he had agreed to the loans on the proviso that they were going to fund his investment, when the scammers told him to say otherwise when questioned, this raised no concerns for him.

Mr B mentions he did not receive any confirmation of the loan and does not agree that he should be held liable for it in the sense that he did not agree to it. With the benefit of hindsight and realising that he has been the victim of an elaborate scam, I can understand why Mr B thinks that. But the issue here is that at the time of the application, as far as Zopa was concerned, it was a legitimate application which was verified and checked using information belonging to - and as clarified - supplied by Mr B, which was used to satisfy Zopa's loan application requirements. And Zopa made efforts to check the purpose of the loan with Mr B directly before releasing the funds, but Mr B was not truthful with Zopa.

Based on what I have seen, Zopa sent Mr B email confirmation of the loan, and I can't see that Zopa had any reason to think it wasn't Mr B applying for this loan. His correct details were provided, his genuine contact details were used, the funds were to be paid to his genuine bank account, a proper direct debit mandate was set up, and the application passed all the checks, So I'm not persuaded there was cause for Zopa to suspect anything untoward.

And even if I accept that Mr B might not have physically submitted the loan application himself, according to his testimony and the call recording with Zopa, I remain satisfied he was aware of the loan and the funds then crediting his account. So, it would still be fair and reasonable for Zopa to hold him responsible. He had the opportunity to stop and question why he had to lie to Zopa as to what the money was for. And it's clear from what I can see that he chose to transfer the money away. Even though Mr B genuinely believed he was speaking with a genuine investment platform, it would've been reasonable for him to complete further checks into the legitimacy of the investment before parting with such large sums of money.

So given everything presented, I don't think Zopa would have been alerted to anything to suggest that the loan was being applied for because of a scam. And I think Zopa acted in good faith, based on the information it was given when approving the application. And I think Mr B was aware that the proceeds were to be invested for his benefit.

As I can't fairly hold Zopa responsible, I can't reasonably tell them to write off the loan in these circumstances.

Finally, I can see Mr B's representatives have questioned Zopa's ability to write off this loan based on its current financial position wouldn't cause it any detriment, and I can understand that Mr B has been left in a difficult position as a result of this scam. But my role isn't to enforce Zopa to write off the loan based on it being in a position to do so. My role is to consider what I think is fair and reasonable based on all the evidence presented and I can't agree that Zopa are being unreasonable in holding Mr B liable for the loan.

I can also see that the representatives for Mr B made requests to Zopa to stop sending correspondence relating to payments due on the loan because of the stress and anxiety it was causing Mr B. And I can fully appreciate why the request was made. But Zopa was entitled to carry out collection activities whilst the dispute was ongoing due to Mr B remaining bound by the loan agreement, and Zopa's obligations to keep Mr B informed. So, I can't agree it was unreasonable for it to continue to do so.

I'm aware this has been a very difficult time for Mr B and that the impact of the scam has been significant, and I'd like to assure him I haven't taken this decision lightly. But taking everything into account, as it's evident that Mr B knew about the loan application, so I can't say Zopa has acted unfairly in holding him responsible for repaying it.

Zopa however must be mindful of the position Mr B finds himself in. This is a lot of money that Mr B is now liable to repay. I would expect Zopa to be sympathetic to his circumstances and give consideration to this prior to deciding on an appropriate repayment plan which is agreeable and reasonable to both parties.

My final decision

For the reasons given, my final decision is not to uphold Mr B's complaint against Zopa Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 July 2025.

Sukhdeep Judge
Ombudsman