

The complaint

Mr B complains that Hastings Financial Services Limited trading as Hastings Direct (Hastings) are holding him liable for a loan he did not take out.

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

What happened

Mr B states he fell victim to a scam after expressing an interest in an investment opportunity he saw advertised online.

On registering interest, Mr B was contacted by two individuals who introduced themselves as client managers, and who shared information about the investment opportunity and convinced him into making investments. Mr B states they conversed with him over Zoom and WhatsApp messages, and he initially started out by investing £1000, which was 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 they applied for the loan with Hastings and that he provided access to his device via screen sharing which allowed them to complete the loan application through ClearScore.

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

On 8 July concerns were raised with Hastings when Mr B realised what had happened and that he had been scammed.

After looking into the matter, Hastings 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 of the loan.

Mr B has brought his complaint against Hastings to this service along with other complaints, relating to loan applications that were made with other providers around the same time which Mr B has said he was also influenced into taking.

Our investigator considered Mr B's complaint against Hastings but did not uphold. He 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 Hastings 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 sorry to hear about Mr B's health and I can appreciate that he has been struggling to cope with the full impact of what has happened. I know this cannot have been easy for him to go through and understandably his representatives have strong feelings about Mr B being held liable for the loan. But when considering what happened, I have to be mindful that it's ultimately the scammers who are primarily responsible for the loss Mr B has experienced.

My focus here has been on the actions of Hastings and whether it has acted fairly towards Mr B and in doing so, I've carefully reviewed all the evidence presented by all parties, to get an understanding of what happened. This includes submissions made across all of Mr B's complaints with our service that relate to the other loan applications made with different providers around the same time and under the same circumstances. 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 focussed instead on what I believe to be important to the outcome of this complaint.

Firstly, 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.

The evidence disclosed suggests that Mr B was aware of the loan application made with Hasting's in his name. Mr B's representatives have explained that the scammers gained access to Mr B's device, when speaking to him over Zoom, and this enabled them to make the application. And that he was persuaded into agreeing to the loan with Hastings, as well as loans with a number of different providers, for the purpose of investing the proceeds for future gains.

Whilst I appreciate, he did not realise the implications of agreeing to the loan application at that time - and that it only came to his attention much later when he realised, he had been scammed - I'm satisfied that it was always his intention to use the loan funds for his future benefit.

The evidence confirms that, when asked by Hasting's, Mr B confirmed he had provided his personal details to the scammers - which were also deemed correct on the application. And this information subsequently enabled Hastings's identification criteria and fraud prevention checks to be met.

Mr B's representatives mention that as Mr B did not benefit from the loan, he should not be held liable for it because he was tricked into taking it. With the benefit of hindsight and realising that he has been the victim of an elaborate scam, I can understand why they think that. But the issue here is that at the time of the application, as far as Hasting's 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 Hasting's loan

application requirements. And Hastings proceeded to accept the application based on the information provided being genuine and trustworthy.

I have also given considerable thought to what Mr B's representatives have said happened, and I can see that this was the final loan that was received into Mr B's bank account as part of the scam. Prior to this the proceeds of six other loans had been paid into his account.

In particular, I can see that a payment was made by another loan provider a few days before, and as part of the underwriting process, a security call was made to Mr B to verify his purpose for taking the loan. Despite Mr B saying he was under the impression 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 the provider he instead said the loan was to be used for home improvements. Which contradicts what Mr B has said he was led to believe. This would suggest that Mr B was both aware of the loan being taken in his name and that he was aware that he wasn't being truthful with the loan provider as to its purpose. On review, I think this should have raised some red flags for Mr B.

Based on what Mr B's representatives have 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 loan on the proviso that it was going to fund his investment, when the scammers told him if questioned to say otherwise, this raised no concerns for him. Given this, I'm persuaded that had Hastings gone on to conduct further checks with Mr B, he would've responded in the same way.

Based on the information Hastings was presented with, I can't see that it 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, and the application passed all the checks, So I'm not persuaded there was cause for Hastings to suspect anything untoward.

And even if I accept that Mr B might not have physically submitted the loan application himself, 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 Hastings to hold him responsible. He'd had the opportunity to stop and question why he had was told to be dishonest on a previous loan application as to what the money was for. And it's clear from what I can see, that instead of raising concerns he chose to transfer the money away.

What's more, 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 Hastings would have been alerted to anything to suggest that the loan was being applied for because of a scam. And I'm satisfied that Hastings acted in good faith, based on the information it was given when approving the application. And that Mr B was aware that the proceeds were to be invested for his benefit.

As I can't fairly hold Hastings responsible for the actions of the scammers, I can't reasonably tell them to write off the loan in these circumstances.

Finally, I can see Mr B's representatives have mentioned that another loan provider has taken the decision to write off a loan taken out as part of the same scam. 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 Hastings to write off the loan based on the decision of another provider. My role is to consider what I think is fair and reasonable based on all the evidence presented and I can't agree that Hastings are being unreasonable in holding Mr B liable for the loan.

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 agreed to the loan application, I can't say Hastings's has acted unfairly in holding him responsible for repaying it.

Hasting's 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 Hasting's to be sympathetic to his circumstances and consider 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 Hastings Financial Services Limited trading as Hastings Direct.

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

Sukhdeep Judge
Ombudsman