

## The complaint

Mr A complains about the outstanding amount owed under a fixed sum loan agreement, taken out in his name with Clydesdale Financial Services Limited trading as Barclays Partner Finance ('BPF').

## What happened

In June 2024, BPF approved an application for a fixed sum loan agreement in Mr A's name. The loan application was completed online and used to pay for a brand new mobile telephone handset. The handset was sent to a retail store, where it was collected by the applicant.

Around seven months later, Mr A says he received a default notice from BPF, after some missed repayments to the loan. He says he was overseas and unwell when BPF had asked him to repay the arrears to avoid the default notice. So, Mr A spoke with BPF, who replied to say they had sent the required letters to Mr A, before applying the default to his credit file.

Mr A wasn't satisfied with BPF's review and in May 2025, he raised a complaint. He said he didn't authorise the opening of the fixed sum loan agreement and that he was the victim of fraud.

Initially, BPF agreed that the application for the loan was completed by a fraudster. But, after another investigation, BPF changed their view. And in their final response to Mr A's complaint, BPF said Mr A remained responsible for the balance of the loan. However, to recognise the confusion they had caused, BPF made a payment of £200 to Mr A's bank account. Mr A didn't accept BPF's response and after an unsuccessful attempt to negotiate a part settlement of the loan, he brought his complaint to us.

One of our investigators looked into Mr A's case and found that BPF had treated Mr A fairly. She said there were some inconsistencies in what Mr A had told us and was persuaded Mr A had authorised the loan application. So, the investigator said it was fair for BPF to expect Mr A to repay the outstanding debt.

Mr A didn't agree with the investigator's findings and said a family member, who I'll call 'X' had admitted the fraud. But, due to his relationship with X, he didn't want to take legal proceedings against them.

The investigator didn't change her conclusions and now Mr A's complaint has been passed to me to make a final decision.

## 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.

Where the evidence is incomplete, inconclusive or contradictory, as some of it is here, I reach my decision on the balance of probabilities. In other words, what I consider is most

likely to have happened in the light of the available evidence and the wider circumstances.

BPF are seeking to recover payment from Mr A under a regulated fixed sum loan agreement. Our service is able to consider complaints about these sorts of agreements.

There are a few possibilities that might give BPF a proper basis for pursuing Mr A for the debt owed under the fixed sum loan agreement: Namely:

- Mr A applied for the loan agreement himself; or
- A third party applied for the loan on Mr A's behalf, with his actual or apparent authority.

To help me consider both possibilities, I've looked at the lead up to the application for the fixed loan agreement and what happened afterwards.

BPF have provided evidence to show that during the application process, they requested and received a live photograph of Mr A and a copy of his driving licence. They also say that Mr A had called them in January 2025 and recognised the loan as his. Furthermore, BPF say Mr A didn't initially raise any concerns about a fraudulent application, and it wasn't until after they had declined to remove the default marker, that he mentioned something.

On the other hand, Mr A says X admitted to applying for the loan and collecting the device from the retail store, without Mr A's authority. He says X had used his identity to open several other lines of credit, which Mr A is now paying off. Mr A also says X had access to a copy of his driving license and was able to use a photograph of Mr A, to bypass BPF's request for a live image.

Having considered all the evidence, I can see where Mr A was using the address given to BPF at the time of the application. Mr A says he was living abroad at the time and only used the address for any administration he needed to keep in Britain. Although I accept Mr A's reasons here, I think the correct address was used within the application.

I've also looked at the copy of the driving licence used with BPF, and the image of Mr A that was taken as part of the 'live' identification part of the application. I acknowledge where Mr A says X had access to a previous copy of his driving licence and an image of Mr A. But, I also need to keep in mind that BPF say their system is designed to only accept a live action image, and where there driving licence used doesn't appear to have been lost or stolen.

Moreover, While I understand that Mr A says X had admitted to using his identity to take out several lines of credit, I've not seen evidence of the other accounts or the type of remedial action taken by other lenders. Neither has Mr A sent us evidence of communication with X, that might show X acting without Mr A's authorisation.

Indeed, I can see that a bank account Mr A says was opened fraudulently, was used to take repayments for the loan. And Mr A hasn't sent us evidence to demonstrate where that account was opened without his authority.

I've placed some weight on the evidence used in the application. But, I think the telephone calls where Mr A raised his initial concerns are also significant in Mr A's case.

I say this because BPF's position is that Mr A called them after the loan had opened to talk about the missed payments. They have compared that conversation to a later call, where Mr A raised his concerns about fraudulent activity.

Having listened to both calls, I think it's reasonable for BPF to suggest it was Mr A that made contact with them in each conversation. I've considered Mr A's argument, that he has a similar sounding voice to X. But, given the other evidence available, I'm not persuaded it shows that the loan application went ahead without his consent.

BPF have also said Mr A didn't raise any concerns about fraud in that first telephone call. Again, having listened carefully to the call, I agree that Mr A had an opportunity to tell BPF he'd been a victim of fraud sooner. Where Mr A chose not to say anything to BPF, I think that strengthens BPF's findings that it's likely Mr A was satisfied with his responsibility to repay the finance used to buy the handset.

On balance, I don't think BPF are acting unfairly by deciding that the most likely thing to have happened, is that Mr A gave his authority, or apparent authority for them to open the fixed sum loan agreement. Therefore, I don't find I have the grounds to direct BPF to stop pursuing Mr A for the outstanding debt owed under the loan.

From what I've seen, Mr A doesn't appear to have fully maintained the repayments to BPF since the end of 2024. So, it's likely that a balance remains owed by Mr A. In this instance, I remind BPF of their responsibility to treat Mr A's current financial circumstances with due consideration and forbearance. This will mean working with Mr A to make sure he is able to make affordable repayments to any outstanding debt, if he's unable to make a lump sum payment.

Throughout his complaint, Mr A has told us that he is trying to avoid causing problems within his family, so doesn't want to take legal action against X. He says his preference would be to settle the loan, with BPF accepting a part payment and agreeing to remove the default marker. While I understand the delicate situation Mr A finds himself in and his reasons for making a part payment offer, I don't think it's fair to require BPF to agree to that.

I'm satisfied BPF have had the opportunity to consider what Mr A proposed. However, in light of my findings that it's likely Mr A authorised the borrowing, I think it's reasonable for BPF to decide not to accept a short settlement of the fixed sum loan.

Finally, I can see that in May 2025 BPF made a payment of £200 to Mr A, for the distress caused when they backtracked on their initial view that the loan was taken out by a fraudster. BPF's opinion changed within a few days, so I can see it was done in good time.

Mr A hasn't disputed that payment and the crux of his case was about the authorisation of the loan itself. In all the circumstances, I think that payment made to Mr A, for the distress caused by the changing of BPF's stance was fair.

### **My final decision**

My final decision is that I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 January 2026.

Sam Wedderburn  
**Ombudsman**