

The complaint

Mr D has complained Zopa Bank Limited is continuing to hold him liable for a debt on a credit card he didn't take out.

What happened

In October 2024 Mr D received a letter from a third-party collection agency. They confirmed there was an outstanding debt of £704.42 and asked Mr D to repay this amount.

Mr D had recently found other debts which he was being asked to repay, including other credit cards. He'd not opened or used these credit products and believed it was most likely these had been opened by his ex-girlfriend. One other credit provider had confirmed this had been opened fraudulently and wrote off the outstanding amount.

Mr D brought a complaint to the ombudsman service, and we assisted him in raising a formal complaint with Zopa. In May 2025 Mr D received a final response from Zopa confirming they agreed this account was opened fraudulently and they would be asking credit reference agencies to remove the credit account and debt from Mr D's record.

Mr D was concerned a month or so later when his credit record hadn't been updated.

In the meantime, Zopa had been asking Mr D to provide details of the police report relating to what had happened. Mr D was unwilling to report his ex-girlfriend to the police.

It became clear to our investigator that Zopa was now saying they hadn't meant to send the final response they did to Mr D. He reviewed the complaint and didn't think Zopa had done anything wrong.

Mr D has asked an ombudsman to review the complaint.

I completed a provisional decision on 12 September 2025. I felt there was sufficient evidence to show Mr D hadn't taken out the credit card with Zopa. I asked them to cancel this debt and pay some compensation to Mr D.

Mr D accepted this outcome. Zopa noted the outcome and provided no further comments.

I now have all I need to complete my 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.

Having done so, I've reached the same outcome as I did in my provisional decision. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light

of the evidence.

Firstly, I can see the credit agreement was taken out in October 2022. This was completed online and I can see that the email and phone details don't belong to Mr D. There's a relatively quick level of high spend towards the credit limit of £600. This seems to be predominantly fashion and beauty spend.

Whilst there was an address link with Mr D, this card does look as if it may well have been opened by his ex-partner. Some low-value payments – around £20-30 – were made towards this account but the last payment was in December 2022 and attempted payments after that date (and there were many) were all declined.

I've reviewed Zopa's customer notes and on 26 March 2025 these state "*happy to confirm fraud*". I'm sure this is the start of their plan to cancel the debt and tell Mr D this. And that's what they do in their final response in May 2025.

Based on the evidence both Zopa and Mr D have provided, I'm satisfied that he didn't take out this loan nor was he aware of this. I'm also aware that another credit provider has claimed that one of their products was also taken out fraudulently in Mr D's name as I've seen that correspondence.

However, that fact alone doesn't mean that Zopa is required to stop asking Mr D to repay what was borrowed. I've also had to consider whether Mr M had the benefit of the funds. As I've stated above the spend seems to be mostly concentrated on fashion and beauty so overall, I think it's most likely Mr D had no benefit of this credit card.

I'm not completely sure I understand what provoked Zopa to believe they'd come to the wrong conclusion.

I appreciate Mr D hadn't provided a police report and they believe this was required to enable them to complete an investigation. It looks very much from the evidence that Mr D did report this to the police and I've seen his evidence to back this up. However, he wasn't prepared himself to state that it was his ex-partner who'd done this and said he'd wait for the outcome of any police investigation. As Zopa will appreciate, I think it's highly unlikely – particularly when I consider the time that's now passed – that any police investigation outcome will be forthcoming.

Putting things right

On that basis, and the evidence I've considered I will be asking Zopa to write off the credit card debt and ensure that all reference to this is removed from Mr D's credit record.

I've also considered in light of the errors that Zopa has made – for example I can find no record of them contacting Mr D to apologise for sending an incorrect final response – that they will need to pay additional compensation. I believe £200 is a fair and reasonable amount.

My final decision

For the reasons given, my final decision is to instruct Zopa Bank Limited to:

- Write off the credit card debt in Mr D's name;
- Remove all reference to this credit card from Mr D's credit record; and

- Pay £200 to Mr D for the error made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 21 October 2025.

Sandra Quinn
Ombudsman