

The complaint

Mr P has complained about Zopa Bank Limited holding him liable for a debt which he says was taken out fraudulently in his name.

What happened

In summary, in August 2024, two loans were taken out in Mr P's name. One of them was this Zopa loan, for £18,000. The money was paid to Mr P's bank account, from where it was then transferred to a close family member over the following days.

Mr P later reported the loans as fraudulent. Zopa tried to investigate, but closed the claim as they were unable to speak with Mr P by phone. They said that Mr P had spoken to the loan's underwriter personally to verify the loan, and so they were satisfied he'd consented to it.

Our Investigator looked into things independently and didn't uphold the complaint. Mr P didn't agree, so the complaint's been passed to me to decide.

I sent Mr P and Zopa a provisional decision on 21 October 2025, to explain why I didn't think the complaint should be upheld. In that decision, I said:

To clarify, in this case I'm just considering the central issue of whether Mr P consented to this loan, or whether it was a case of identity theft as he says. Mr P has also mentioned that he thinks the loan was lent without sufficiently checking it was affordable for him. That's a substantially different matter to this one, which would need to be looked at on its own. So if Mr P would like us to address his affordability point in detail then we can do so as a separate case. I've asked our Investigator to get in touch with him about that separate issue.

Broadly speaking, Zopa could hold Mr P liable for the loan in dispute if the evidence supports that he consented to it.

Based on what I've seen so far, I'm reasonably satisfied that Mr P did consent to this loan, for the following reasons:

- *The loan was taken out using Mr P's key personal details, his genuine passport, and his bank statements, and the application passed all its checks.*
- *The loan was paid to Mr P's long-standing bank account.*
- *The loan funds were sent on from Mr P's bank account to his close family member, using the only device active on the account at the time – the same phone Mr P used for his genuine banking before and after this. Mr P confirmed this phone was protected by a PIN and his biometrics. His banking app had its own protection too. I've found no signs of hacking or unauthorised access in his online banking records, nor any likely way that someone would've been able to access Mr P's device and banking app without his consent.*

- *The loan funds were sent on using the same internet connection Mr P used both before and after for his genuine banking activity.*
- *Mr P now says he gave his phone to the close family member so they could use entertainment apps while in intensive care. He suggested someone in the hospital must have used his phone. But this contradicts what Mr P said when the loan companies were investigating – he was adamant that he never gave anyone access to his phone. Further, the loan funds were sent on using the same IP address Mr P used for his genuine banking before and after – indicating this was done from the same location where Mr P normally did his banking (e.g. his home) and not from somewhere else (e.g. the hospital). Mr P also carried out other genuine activity from his phone – including handling his auction takings and sending them on to his other account – during the same session as forwarding loan funds to his family member. He didn't dispute any of the activity with his bank or report any unauthorised access to them. And as noted, I've not found any likely or plausible way that his banking app was accessed without his consent.*
- *Following the loan application, Mr P called the underwriter from the same phone number he uses with our service. I've listened to this call, as well as a recording of Mr P speaking with us, and am reasonably satisfied it's the same person. During his call to the underwriter, Mr P confirmed the details from the loan application and confirmed he'd applied for the loan himself.*
- *Mr P now says he didn't start using that phone number until 2025. But that's not true. He spoke to Zopa on that number in 2024. Mr P also gave our service that number when he made an enquiry about a different matter, before the loan application.*
- *While this is a more minor point, the loan funds were received and sent on quite slowly – over the course of four days. A thief would need to move on the funds as quickly as possible before everything's locked down, especially given Mr P's genuine contact details were used so he'd quickly become aware of the loans. Mr P's online banking was being checked, so the person using the account was aware of the loan funds coming in. Yet it seems they were confident that Mr P would not stop them. It's also not plausible that an identity thief would go to all these lengths just to pay Mr P's close family member. And it's not plausible that the family member themselves could've carry out such complex identity theft, given their unfortunate situation in intensive care. Given the circumstances, the only party who could have likely and plausibly applied for this loan seems to be Mr P.*
- *Mr P received contact by phone and letter at the time of the loan applications. He was also checking his online banking and carrying out his own banking activity at the time the loan funds were being received and sent on. Yet he didn't report anything to the loan companies for some time after. He then wouldn't speak to the fraud team by phone – given the calls I've listened to, it seems likely this is because it would've revealed the matching voices. Mr P also didn't report any unauthorised access to his bank, despite now saying the loan funds were moved on from there without his consent. In fact, his bank noted that he wouldn't reply to their requests for evidence and kept silent. It's highly unlikely that someone would act this way if loans were being taken out and their bank account was being used without their consent.*
- *I've found no evidence which shows or reasonably substantiates that this loan was taken out by anyone other than Mr P.*

Mr P pointed out that the other loan company cancelled that other loan. But that's mainly because they were able to get his family member's bank to forcibly return the funds before they could be spent. It was not because they thought the loan was taken out without Mr P's consent. They were confident that Mr P took out that loan too.

In summary, this loan was taken out using Mr P's key details and genuine ID, was paid to him, and was forwarded unhurriedly to his family member using his phone and IP address. It's not likely or plausible that this was done without his consent, and Mr P was carrying out other genuine banking activity at the same time on the same phone. The application passed all its checks, and Mr P spoke to the underwriter directly to confirm the loan, using his genuine phone number. Mr P's testimony has been notably contradictory or implausible at key points. And he appears to have been aware of the loans and bank account activity at the time, yet he didn't report the loans until some time after they'd been moved on through his family's accounts, and he avoided speaking about this with his bank. The evidence strongly supports that Mr P consented to this loan, and I've found no good reason to think it was a case of identity theft.

As such, based on what I've seen so far, I currently think that Mr P consented to this loan, and so Zopa were entitled to hold him liable for it.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 4 November 2025.

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.

In response to the provisional decision, Zopa didn't add anything further. Mr P sent in a number of responses, which I'll talk about below. I won't necessarily go through every single argument on a point-by-point basis, as a court might. We're a free alternative to the courts, here to decide complaints more quickly and with less formality. So I will summarise, and will focus my decision on what I've found to be the key points. If Mr P would like his case against Zopa to be looked at in the way that a court would, then he is able to reject my decision and take Zopa to court.

Turning to the arguments at hand, Mr P argues that he never said his family member was in hospital at the time of the application. He now says they were actually at their own address and only moved to hospital later. For clarity, when speaking with our Investigator, Mr P did say "[the family member] was in hospital" at the time of the loan, and he discussed the possibility that the hospital staff could've been involved, which wouldn't have been relevant if they weren't in hospital. In an email, Mr P said "as [the family member] was receiving palliative care I gave [them] access to my handset", and during the subsequent call said that the palliative care was received in hospital. So I was just going on what we'd been told by him there.

Even if I accept this new clarification, it doesn't make a difference to the outcome. The fact remains that the loan funds were sent on using Mr P's usual internet connection at his usual location – the same one he used before and after for his genuine banking activity, going back to long before the point where he says he gave the phone to his family member. And prior to coming to us, Mr P had been adamant that he never gave anyone access to his phone. Mr P even carried out other genuine banking activity of his own alongside sending loan funds on, during the same session, on that same phone. And that phone was the only device registered to his long-standing bank account.

Mr P argues he never said that he only started using that phone number in 2025. For clarity, this was based on his prior contact saying he wasn't using that number at the time, and him saying he "started using [this number] from January of this year [2025]". Mr P now says it wasn't his main number. But I can see that that's the number he used for his banking and with our service before, during, and after this incident, and the phone in question was the only one registered on his online banking. So it was clearly his genuine number and was clearly used for significant matters, whether he had an additional number or not.

Mr P says the biometrics weren't working on his phone. He previously said that his phone was protected by both biometrics and a PIN at the time. Regardless, I will reiterate that I've found no evidence of any unauthorised access of his banking app, nor any likely way that someone would've been using it without his knowledge or consent. And the loan funds were sent on from Mr P's usual internet connection, Mr P carried out other genuine banking activity while sending loan funds on, he didn't dispute any of the activity with his bank at the time, he phoned the underwriter directly to confirm the loan application, and so on.

Mr P feels that the recording of his call with Zopa sounded robotic, and he feels it was faked. While the signal was poor at the start of the call, it got better. And it's natural that a recording of a person's voice might sound different to how their voice sounds in their head. Having carefully listened to the call and compared it to Mr P's call with our service, I've found no significant differences in the voice or manner of speaking. It's not likely that an identity thief would've had access to sufficient recordings of Mr P's voice and mannerisms to fake it, nor is there anything to substantiate that that happened. And importantly, the call was on Mr P's genuine number – the same one he used before and after, returning a call Zopa had made to him, and the person speaking was able to pass security and be verified as Mr P. Having compared this call to our call with Mr P, I'm satisfied that it was Mr P who confirmed the details on the loan application and who confirmed he'd applied for the loan.

Mr P says that he has challenged things with the bank. While he may have done so since, at the time Mr P did not dispute any of the activity with the bank or report any unauthorised access, despite being aware of the activity and the loans. Indeed, his bank was the one trying to contact Mr P, but found that he wouldn't reply to their requests for evidence and kept silent. Similarly, Mr P says he did try to speak to Zopa. But while he did correspond about his complaint, he did not speak to their fraud team despite their various requests.

Mr P says he didn't pursue the matter at the time because of his life situation. And I'm sorry to hear about the tough time he was going through. But I can see that he would've been aware of the loans and the banking activity at the time. And I can see he didn't report things until some time after the loan funds had been moved on, and he was not cooperative with the firms involved, even avoiding enquiries that were there to help get to the bottom of things. Even in the situation he's described, it's not likely that someone would act this way if loans were being taken out in their name and their bank account was being used without their consent. It's more likely that someone would do this if they had authorised the activity. Again, this is a relatively minor point – there's much more conclusive evidence to show that Mr P took out this loan, as I've set out.

Mr P has pointed out again that the other loan company cancelled that other loan. But again, that's *not* because they thought the loan was taken out without Mr P's consent. They were just able to get the bank to forcibly take the money back before it was spent. That loan company still found that Mr P had taken out that other loan, too.

Mr P says he had a good credit and career history and wouldn't risk his career for such a low amount relative to his earnings. He also said he was out of work and in difficulties and had never been in a position where the loan would be affordable for him, as part of his separate affordability claim. But setting that aside, I will clarify that this decision is not based on his career or credit history. Even wealthy and successful people do things like this sometimes, and every person who ever does so will have a first time – one doesn't start at one's second time. So I don't find that point to be particularly significant. Similarly, my decision is not a judgement of anyone's character. Instead, my decision is based on an impartial assessment of the relevant evidence, to see whether it's most likely that Mr P consented to the loan or not in this particular situation. And as I've gone through, the evidence is clear here.

Mr P wants us to gather further unspecified evidence from the credit broker, and to look into his family member's finances. His family member is outside of our remit – I'm only looking at the dispute between Mr P and Zopa, not anyone else. I'll also clarify that my assessment is made independently of either side, so neither side is able to direct our investigation. I've already gathered the key relevant evidence and have more than enough to decide this case. And the relevant evidence strongly supports that Mr P took out this loan.

To summarise, based on the evidence at hand, this loan was taken out using Mr P's key details alongside his genuine ID, and the application passed its checks. The money was paid to Mr P's long-standing bank account, then transferred to Mr P's close family member, at a relatively slow pace, at the same time as Mr P carried out his own genuine banking activity on the same phone. Mr P used this same phone for his online banking before, during, and after the matter, it was the only device registered to his bank account, and he previously said no one else had access to it. The payments were properly authenticated, using the same internet connection Mr P had been using since long before this, and which he continued to use after, with no signs of unauthorised access. Mr P would've been aware of the loans and banking activity at the time, but he didn't report them until some time after the funds had been moved on, and he avoided speaking to the fraud team or his bank at the time. Mr P's testimony has been inconsistent and implausible. And in order to get the loan, Mr P had even phoned the underwriter on his genuine number, confirmed the application details, and confirmed that he'd taken out the loan, which I'm satisfied was really Mr P.

As such, it is not likely or plausible that this loan was taken out without Mr P's consent. The evidence very strongly substantiates that Mr P consented to this loan, and that's the only likely or plausible possibility I've found. So I find that Zopa were entitled to hold him liable for it. I understand this is not the outcome that Mr P was hoping for. But given the evidence at hand and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

My final decision

I do not uphold Mr P's complaint in this case.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 December 2025.

Adam Charles
Ombudsman