

The complaint

Mrs H complains that Zopa Bank Limited is holding her liable for the debt on a loan which she says she neither applied for nor knew about.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. I sent my provisional decision on this complaint on 11 November 2025. I said:

"In summary, in November 2022 a loan was taken out with Zopa in Mrs H's name for £12,000. The loan was paid into her, and her now ex partner's (Mr H) joint account on 15 November 2022. From there, the funds (less £50) were immediately forwarded to an account in Mr H's own name where it was seemingly used to settle debts.

The declared purpose for the loan was "consolidate". It was for a term of 72 months – with monthly repayments of around £239. Repayments were made from the joint account between January 2023 and October 2024. The loan account is now in default and has been sold to a debt collection agency.

After the couple separated in September 2024, Mrs H became aware that Mr H had been in some financial difficulty. Concerned about the possible impact this would have on her, Mrs H accessed her credit report and discovered the Zopa loan, as well as a credit card, which she says she was unaware of.

Mrs H subsequently got in touch with Zopa in October 2024 to let it know she hadn't applied for the loan. She said that whilst she was "aware" of it, she hadn't realised it was in her sole name, what the amount was, or what it was used for. Mrs H also pointed out that the phone and email used on the loan application were Mr H's, not hers.

Zopa investigated things and ultimately couldn't reach agreement with Mrs H, so she referred her complaint about Zopa to us.

Our Investigator upheld the complaint, but Zopa didn't agree, so the case has been passed to me for a decision.

What I've provisionally 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'm not intending to uphold it for reasons I set out below.

Firstly, I've thought about whether Mrs H entered into this loan agreement, or was it done without her knowledge and consent. Having considered this carefully, I think it's most likely Mrs H did consent to the loan, and she therefore did enter into the loan agreement. Let me explain why.

Zopa has argued that Mrs H should've been aware of the loan entering the joint account; and of the monthly repayments (which came from the same joint account). Zopa has also pointed out that it was two years after the loan was taken out that Mrs H made contact about the loan – during which time it says she accepted she knew of the loan's existence but not the amount or that it was in her sole name. For those reasons, Zopa believes Mrs H is liable for the loan.

In her defence, Mrs H has explained that Mr H managed their finances and that the joint account into which the loan was paid was used to manage bills. She's further explained that she didn't have a debit card for the joint account and that at the time, she fully trusted Mr H to manage the account accordingly. Mrs H said she had no reason to question Mr H about the use of the joint account; and only became fully aware of the loan after she and Mr H separated.

I appreciate it may be difficult for Mrs H to remember specific details from several years ago, particularly when she says she primarily left the finances to Mr H. Zopa has concluded that Mrs H is responsible for the loan and my role is to assess whether its decision was fair and reasonable based on the available information and evidence. I can never know with 100% certainty and must make my finding as to what I think is more likely than not.

I've listened carefully to the call in which Mrs H reports things to Zopa. During that call, she asks whether she'd signed anything. I think this supports that she didn't have a clear recollection of the circumstances around the taking out of the loan. She also says that she was "aware" of the loan, but just not the amount that had been borrowed or that it was in her sole name.

I also note that the loan appears to have been used in line with what was said at the time of application, that being to consolidate existing debt. I appreciate that since the breakdown of the relationship, Mrs H may feel that it's not fair she is being pursued for the loan. But I can't ignore the possibility that taking out the loan to consolidate Mr H's debt was something that she agreed to at the time. Even if she's since forgotten doing so or that this was a decision she now regrets.

Mrs H has also made the point that it was Mr H's details that were used to apply for the loan, not hers, further reinforcing her view that she didn't consent to it. But again, I'm not persuaded by this argument against the background of Mr H managing the family finances.

As Mrs H suggests in one of her calls to Zopa, it's likely that Mr H applied for the loan in her name due to his poor credit record, but that isn't an unusual situation in a trusting relationship, as it was at the time of the loan application. And as the loan was being paid to an account held by Mr and Mrs H – I don't think an application in Mrs H's name using the contact details for Mr H would've given Zopa any obvious cause for concern. So, I can't say it was unreasonable for Zopa to have accepted the loan application in good faith.

I agree the use of Mr H's email address means it's likely that he was the one who keyed the application itself, but as I've set out above, I think this more likely than not was with Mrs H's consent. It also fits in with the narrative she's provided of him managing the finances.

It's also worth reiterating here that the loan was paid into a joint account held by Mr and Mrs H – and it was from that account that repayments were made towards the loan for two years prior to Mrs H raising her dispute with Zopa. This, in my opinion, further reinforces the argument that Mrs H had consented to the loan and was aware of its existence, and the fact she wasn't aware of the loan amount or that it was in her sole name doesn't undermine that fact.

Further to that, Mrs H thinking the loan was in joint names supports the suggestion that she'd agreed to the lending. And I should also make the point that if the loan had been in joint names, Mrs H would've still been liable for it if Mr H was unable or unwilling to contribute towards the repayments.

Mrs H has also argued that she didn't benefit from the loan in any way because as soon as the funds were paid into the joint account, Mr H transferred them to his sole account to clear debts. But ultimately, I'm of the opinion that Mrs H likely agreed to the loan and that it was then paid into an account she was party to. I can appreciate that Mrs H isn't happy with how those funds were moved on from that point, but that isn't something Zopa would've had oversight or responsibility for.

Also, the loan was ultimately used in line with debt consolidation, albeit via Mr H's sole account. This is in line with the declared purpose for the loan and further supports Mrs H's testimony that Mr H took the lead regarding family finances.

Ultimately, in bringing her complaint Mrs H is asking me to direct that Zopa doesn't pursue her for the loan that it paid into her joint account. And whilst I accept this is a balanced point, I've not been provided with evidence that persuades me it's more likely than not that she didn't agree to the lending at the material time.

I fully appreciate that Mrs H has been left in a very difficult position and believes that Mr H has abused the trust that she had in him to manage their finances. I can see that she's reported the matter to Action fraud and the police, and that a credit card company has accepted that Mr H applied for a credit card in Mrs H's name without her consent.

But this information doesn't automatically mean Zopa has acted unreasonably in the circumstances of this complaint. And so, taking everything into account, I'm therefore not persuaded, on balance, Zopa has acted unreasonably in holding Mrs H liable for the loan.

This is a difficult message for me to give as I know how strongly Mrs H feels about this matter. But given the evidence I have, I'm unable to reasonably reach any other conclusion.

My provisional decision

For the reasons explained, my provisional decision is that I do not uphold this complaint".

Zopa didn't respond to my provisional decision.

Mrs H didn't agree with it. In summary, she maintained that she hadn't applied for the loan, nor had she consented to it being taken out in her name. She said she'd been the victim of financial abuse by Mr H, which had only come to light when she and Mr H separated; at which point she said she found out about the loan.

Mrs H said *"to imply consent based on the loan's existence, when I had no knowledge, oversight, or control, is deeply unfair and does not reflect the reality"*. Mrs H said, *"this was identity misuse carried out by someone who maintained full control over our finances"*. She added that she'd trusted Mr H, *"and that trust was exploited"*.

Mrs H didn't think Zopa had robust enough procedures in place to ensure that applications are only being made by the named applicant (in this case her). She pointed out that all *"communication channels"* were linked to Mr H, both his phone number and email address. And because of that, how *"should"* she have known about the application, the loan amount, the monthly repayments or when the funds entered the joint account – as no correspondence about the loan would've been sent to her.

Mrs H added that Zopa had been unable to provide any evidence to show it had verified the application to ensure the loan had been taken out by her, no signed documents or phone records. Mrs H said *"there is a clear flaw in Zopa's loan application processing with no checks to avoid issues that I am having to address and the struggle I am having to clear my name"*. She said this was very concerning – and should be considered when determining the validity of the application.

In terms of the loan funds, Mrs H said despite them being paid into a joint account, they were immediately moved to an account in Mr H's sole name. Because of that, Mrs H said she didn't *"see, access or benefit from the funds at any point"*, and that the funds first entering the joint account shouldn't be used as evidence that she consented to the loan. Rather, she saw this purely as the method used by Mr H to *"disguise his actions and exploit my trust"*.

Mrs H then spoke about Mr H's wider financial situation; and how she thought this displayed a clear pattern of deceit, fraud and identity abuse. This included a fraudulent credit card, multiple credit inquiries in Mrs H name, £40,000 of debit (which she said she was unaware of

during the last few years of their relationship), and an IVA in Mr H's name granted in February 2024.

On a final point, Mrs H said she wants her liability for the loan to be withdrawn, and her credit file corrected. She was also unhappy that Zopa had sold the debt onto a debt collection company whilst still under investigation. She concluded by say that "*this situation has significantly affected my mental health and making day to day life very difficult with the significant stress this has caused me*".

Given both parties have had the opportunity to respond, I can now proceed with making my final decision on this 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.

I've given careful thought to the additional points raised by Mrs H, but I'm not persuaded to depart from the outcome I reached in my provisional decision. I'll explain why.

But first I want to say that if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider is a fair outcome.

Looking at the application process, as Mrs H has pointed out, Zopa can carry out checks at the point of application "*if we need you to provide proof of your identity*". But as I've already set out in my provisional decision, I don't think the circumstances of the loan application would've given Zopa any obvious cause for concern. I say that because the information Mr H provided to Zopa wasn't, in my opinion, at odds with each other. Yes, the application was in Mrs H's name, but the funds were credited to a joint account in both her and Mr H's name. And I can see that address checks carried out by Zopa confirmed the details provided by Mr H to be correct. Therefore, I can't reasonably conclude here that Zopa made an error in allowing the loan application to be approved based on the information provided.

Turning now to Mrs H's knowledge of the loan, I can't get beyond the fact that she told Zopa on 14 October 2024 that she was aware of it. I appreciate that she wasn't likely aware that the loan was in her name only – specifically saying to Zopa that if the account "*is solely in my name, there's been some fraud*". But this suggests to me that if the loan *had* been in joint names, then Mrs H wouldn't be alleging fraud, supporting the suggestion that she'd agreed to the lending because she'd consented to Mr H managing the family finances on her behalf.

I think it's also of relevance here that whilst the loan was in Mrs H's name, repayments between January 2023 and October 2024 were made *jointly* by her and Mr H from the joint account the loan had been paid into. This further indicates to me that the loan was likely being used as a way of managing the family finances. I should also reiterate here the point that if the loan *had* been in joint names, Mrs H would've been liable for it – meaning Zopa would be entitled to pursue her for the debit if Mr H was unable or willing to contribute. That being the same position she's essentially in now.

Overall, I can completely understand how Mrs H has been left in a very difficult position here. But ultimately, at the time the loan was applied for, she was in a trusting relationship in which Mr H had her consent to manage the family finances. And in doing that, he applied for a loan in her name to consolidate debt – a loan which both Mr and Mrs H repayed jointly for a period of more than 18 months until the relationship unfortunately ended.

For completeness, I've also not seen anything in Zopa's administration of the loan which I think is a basis for it to need to do more. This includes that the loan appears to have been sold on and in its reporting to the credit reference agencies.

So, taking everything into account, I can't therefore find that Zopa has acted unreasonably in holding Mrs H liable for the loan.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision **before 9 January 2026**.

Anna Jackson
Ombudsman