

The complaint

Ms H is unhappy that National Westminster Bank Plc (NatWest) are holding her jointly liable for a loan which she says was taken out fraudulently without her knowledge or consent in 2022.

What happened

Ms H alleges her ex-partner took out a joint loan without her knowledge and consent in January 2022. This loan was paid into a joint bank account also held with NatWest. Although the funds were debited from the joint bank account, some of the funds were paid back in and some of this was used to repay Ms H's credit card – which she says her ex-partner had been using.

In April 2024 the relationship with Ms H and her then partner broke down, and he stopped making the repayments towards the loan. Ms H checked her credit score and realised the loan was in both of their names. She feels it's unfair NatWest are holding her liable for it, particularly as she didn't agree to the loan and had no knowledge of it.

NatWest didn't uphold the complaint. NatWest accepted the joint loan application was done online by Ms H's ex partner as their process at the time didn't require both account holders to sign. NatWest thought Ms H had benefitted from the loan funds as payments had been made for household bills and to make payments towards Ms H's credit card.

Our Investigator didn't uphold the complaint, she said:

- Ms H's ex partner may have been the one that applied for the joint loan due to NatWest's process at the time, However:
- Ms H was made aware of the loan as there was a letter dated 13 January 2022 which was correctly addressed to Ms H and notified her of the joint loan. This letter also gave Ms H a 14 day cooling off period if she didn't wish to be bound by the loan agreement.
- When Ms H logged into her mobile banking the first screen would have showed balances of her accounts including the loan.
- Ms H first logged onto her online banking on 20 January 2022 so the loan would have been visible to her within the 14 day cooling off period but she didn't contact NatWest during this period.
- The evidence showed on 2 February 2022 Ms H reviewed the statement for the loan. This was checked again on 9 November 2022 and 23 April 2024. It seems she was aware of the loan for two years before she disputed her liability.
- Although Ms H's ex may have paid out the loan funds the day after they were received, payments were made back into the account which were used to pay household bills, education fees and Ms H's credit card. Therefore, our Investigator was satisfied Ms H had benefit of the funds.
- Our investigator acknowledged Ms H's ex had taken out fraudulent credit cards in her name but for the reasons above, she wasn't persuaded Ms H didn't know or benefit from the joint loan. Therefore she didn't think NatWest were doing anything wrong by holding Ms H liable for the loan.

Ms H didn't agree, she said:

- It's not in line with consumer protection laws that a significant loan should be approved on the request of only one account holder.
- She didn't receive the letter dated 13 January 2022, it's likely her ex-partner intercepted the letter and disposed of it.
- Her ex-partner installed the banking app on her phone and he managed the account.
- The funds from the loan were not used to pay household expenses and he used her credit card for his own expenditure, as evidenced by a WhatsApp message she provided.
- She only became aware of the fraud in April 2024 when her ex-partner left and she immediately contacted NatWest.

Our Investigator didn't think this changed anything. She reviewed the messages Ms H sent but explained it didn't show Ms H wasn't aware of the loan. Our Investigator still wasn't persuaded she could conclude that the loan was fraudulently taken out or that Ms H wasn't aware of it.

As Ms H didn't agree with our Investigator's findings, the complaint was passed to me. I issued a provisional decision setting out my findings. That decision forms part of this final decision so I have included it below.

My provisional decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

First of all, I am really sorry to hear about Ms H's personal circumstances, this has clearly been a very difficult time for her. I understand at the time the loan was taken out she had been the victim of abuse and I do not doubt the events that took place with the loan have added to an already stressful time.

I also understand Ms H now finds herself in a difficult financial position especially as she has a young family and she's said she cannot afford certain things she and her family need.

She's also explained her ex-partner opened other accounts in her name and accumulated debt with other financial institutions although these have been refunded. I also note there was a refund provided by NatWest in relation to her credit card although NatWest haven't been able to provide us with any further information around that.

I'd like to reassure Ms H I have taken into account everything she has told us about her circumstances at home when considering her complaint.

The loan application

NatWest told our service that in 2022 its process at the time only required one party to sign the loan agreement despite it being in joint names. Based on the information NatWest originally sent our service it seemed they accepted it may have been Ms H's ex-partner that took out the loan – which is in line with her testimony.

During the course of my review of Ms H's complaint I asked why NatWest are holding Ms H liable given that it accepts she didn't agree to, or sign, the terms of the loan – meaning she had no knowledge of what had happened until the point at which she raised her concerns.

NatWest provided me with a copy of the loan agreement saying this evidenced Ms H was aware of it. But this document shows there was a tick box to confirm agreement to the loan. I can see there is a tick for Ms H's name and also for her ex partner. So I don't think the loan agreement necessarily shows Ms H was aware of the loan. I think it's plausible that her ex-partner could have ticked this box on Ms H's behalf without her knowing.

Overall I'm persuaded that Ms H did not sign the loan agreement in 2022.

Awareness of the loan

Our service initially said Ms H would've been aware of the loan as a confirmation letter sent on 13 January 2022 was correctly addressed to her and provided a 14-day cooling off period should she not wish to be bound by the loan agreement. Whilst I agree the letter was sent correctly, Ms H has explained they had a key to their mailbox and only her ex-partner had access to this. So, I do find it plausible that Ms H didn't actually have sight of this letter as it was intercepted and destroyed by her ex-partner.

Our service said Ms H's device logged into her mobile banking on 2 February 2022, 9 November 2022 and 23 April 2024 which was both during the cooling off period and after. NatWest explained the loan would have been visible on the first page of her mobile banking so it would have been obvious to her.

However, Ms H has consistently said that her ex-partner installed the banking app on her phone, and he used it as he was in control of the finances. Ms H has denied logging in on the above-mentioned dates and has explained the account was essentially being operated as her ex-partner's sole account. I do find this plausible given the nature of the relationship Ms H has explained and that she's said her ex-partner had control over their finances.

I do note Ms H's ex-partner was logging on to his device separately as well as seemingly logging into Ms H's device but I think this could have been for a number of reasons – but this doesn't mean Ms H had logged into her banking on these occasions.

Ms H has also told us that although the joint account was held in both names it was only her ex-partner that used the account as she held an account elsewhere with another financial institution which she used for her day to day expenditure.

Having looked at the joint current account statements, the loan of £19,950 was credited on 13 January 2022. The following day it seems Ms H's ex partner debited £19,000 to his sole savings account and over the course of time made repayments back into the joint current account – which I believe again shows he was in control of the finances but also suggests to me that he may have been hiding the loan from Ms H.

Looking at the account transactions, in particular, those with clear references the majority seem to relate to Ms H's ex-partner which also supports it was him using the account rather than Ms H. I also notice that some of the transactions seem to be business related and Ms H has told us her ex-partner was running a business at the time. So, it does seem Ms H's testimony that her ex-partner was running the account, ties in with the account activity.

I should also add that Ms H has explained her ex-partner committed fraud on other accounts (including a NatWest credit card) and those have been refunded. So, this does seem to suggest an established pattern of behaviour carried out by Ms H's ex-partner where he took advantage of her.

NatWest have said the loan repayments had been taken from the joint current account up until 2024 so this shows Ms H was aware of the loan itself. But I am persuaded that Ms H was unaware of the loan and wasn't using the joint account so I don't think this means Ms H was aware of the loan prior to her raising her concerns with NatWest. Even if Ms H had checked the joint current account statements and saw the direct debit, she wouldn't have been put on notice this was for a joint loan that she was also liable for. And even if she had asked her ex-partner about the loan, I do not think he would have been forthcoming.

Ms H has said she only became aware of the loan around April 2024 when her ex-partner left her and stopped paying the loan. I do find this plausible as she wasn't checking the joint account or have any reason to think she was liable for the loan until this point.

Benefit of the loan funds

NatWest and our investigator have said Ms H had benefit of the loan funds because it repaid her credit card and covered some household bills and education fees. It is impossible to say who benefitted from each individual transaction and I can see there are lots of payments into and out of the account, but Ms H has said she didn't use the joint current account for her own spending.

I can see there was a direct debit to pay a NatWest credit card and NatWest have said this belonged to Ms H. But as mentioned above, Ms H's ex-partner was using her credit card without her knowledge, and this was debt that he had accumulated. NatWest have been unable to provide further information about the credit card refund, but it seems NatWest may have agreed this was fraud given that a refund was issued following Ms H's complaint.

NatWest has pointed out there was a direct debit for a household expense. I accept Ms H may have benefited here (along with her other family members) although she was unaware the loan funds were being used for these purposes. Based on the account activity this particular bill was approx. £157 per month, so it does seem to be a relatively small percentage of the debits compared to the other outgoings. But as explained below credits were being received into the joint account with Ms H's name as the reference (although Ms H says this wasn't her).

NatWest has referred to education fees that were being paid, and I can see large sums were debited totalling approximately £30,000. Whilst I take on board NatWest's stance that these payments were for Ms H's benefit, I've also taken into consideration Ms H has said these payments were made for the benefit of their children. But moreover, the statements suggest Ms H was making credits into the account, the most notable larger transactions being £30,000 on 23 May 2022 and £17,000 on 24 May 2022. These payments outweigh the total paid for the tuition fees. So, I think it's arguable that Ms H's account credited more than the amount of the payments NatWest says she's benefited from.

I do fully accept some debits from the account appear to be made to Ms H (although Ms H says this wasn't her). However, the account does seem to receive frequent credits from Ms H's account and looking holistically, these credits seem to outweigh the debits made referencing her name.

Looking at the payments made from the account it seems that most of these reference Ms H's ex-partner's name and businesses that he seems to have been or is involved with. So, I think Ms H's ex-partner was the main person benefiting from the loan funds.

Conclusions

As it stands, based on everything presented, I'm minded to ask NatWest not to hold Ms

H liable for the joint loan on the basis that NatWest accepts she didn't enter into the loan agreement with her abusive partner, and Ms H was unaware of the loan until April 2024 and that she didn't benefit from the loan funds.

This would also include asking NatWest to remove the loan in its entirety from Ms H's credit file.

My provisional decision

My provisional decision is that I uphold this complaint.

Ms H confirmed she accepted the decision.

NatWest didn't accept the decision. In short, it said:

1. During a call of 27 April 2023 NatWest confirmed to Ms H she had two loans being paid from her joint current account and Ms H referred to her ex-partner. NatWest says this shows Ms H was aware of the loan.
2. NatWest disputes Ms H's ex-partner intercepted the loan agreement as they held different addresses.
3. Ms H did not dispute the loan whilst it was being paid.
4. Ms H would have seen from her statements and online banking the loan was in joint names and paid from her joint account.
5. NatWest sent letters to Ms H regarding the account.
6. NatWest sent text messages regarding the loan arrears.
7. NatWest questioned why Ms H has retained the joint account.

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 would like to thank NatWest for the time taken to send in the additional evidence to support their points raised following the provisional decision. I should explain this case is finely balanced, in particular in light of the call recording that has been provided to our service.

However, I still believe Ms H was not aware she was party to the joint loan until 2024 and I shall explain why whilst addressing the points and evidence NatWest has provided in response to my provisional decision.

1. *During a call of 27 April 2023 NatWest confirmed to Ms H she had two loans being paid from her joint current account and Ms H referred to her ex-partner. NatWest says this shows Ms H was aware of the loan.*

Having listened to this call I can see NatWest refers to both loans being jointly held and Ms H confirms she is paying one but she says her husband is paying the other, not her. I think Ms H says this because she is of the understanding that the loan belongs to him.

It is apparent in the call that Ms H is confused about the status of the accounts, where money has been paid to and what is outstanding. However, towards the end of the call, Ms H and NatWest discuss a direct debit bouncing for one of the loans, she

also clearly says one of the loans is not hers, it is her husband's – and NatWest do not correct her.

So although NatWest mention at the start of the call Ms H has two loan accounts, Ms H still suggests one of the loans being her husband's rather than hers on two occasions – and on the second occasion NatWest don't correct her.

It follows that I think Ms H genuinely believed the other loan belonged to her husband – despite NatWest's comments, so I don't think this phone call casts doubt over her testimony about her knowledge that she was liable for the loan prior to 2024.

2. *NatWest disputes Ms H's ex-partner intercepted the loan agreement as they held different addresses.*

However, having looked at the loan agreement, the address for Ms H and her ex-partner appear to be the same so I think it's likely they were residing at the same address at least when the loan was opened. And Ms H has confirmed their mailbox could only be accessed with a key which her ex-partner had. So I still think it's plausible that Ms H's ex-partner could have intercepted the loan agreement.

Based on what Ms H has told our service it seems her ex-partner moved out around April 2024. So I think Ms H's ex partner could have likely intercepted NatWest's correspondence up until this time.

3. *Ms H did not dispute the loan whilst it was being paid.*

Ms H wouldn't have had any reason to dispute the loan whilst it was being paid as she only became aware of it once the relationship broke down and the payments stopped being made. It was only at this point that Ms H's ex-partner seems to have moved out of the property and Ms H received correspondence as this was no longer being intercepted.

4. *Ms H would have seen from her statements and online banking the loan was in joint names and paid from her joint account.*

Ms H has said it was her ex-partner who was using the joint current account and I am persuaded by this for the reasons outlined in my provisional decision, so I don't think Ms H was checking this account. But in any event, I have looked at the joint current account statements. I can see the loan payments are made from the joint current account but I don't think it would have been clear from the entries on the statement that the loan was held jointly. So, I don't think this would have alerted Ms H she was liable for the loan.

In terms of Ms H's online banking, Ms H has consistently said that her ex-partner installed the banking app on her phone, and he used it as he was in control of the finances which I find plausible given what we know about his behaviour. So I do not think Ms H would have been aware of the loan just because there was online banking on her device.

5. *NatWest sent letters to Ms H regarding the account.*

I can see NatWest sent letters to Ms H's genuine address but as outlined in my provisional decision I think it is plausible Ms H's ex-partner intercepted her post. Because of that, on balance I'm not persuaded Ms H received such correspondence from NatWest.

6. *NatWest sent text messages regarding the loan arrears.*

NatWest have provided contact notes showing they sent text messages regarding the loan arrears and the latest document NatWest sent shows a text message being sent as early as 11 May 2024. But Ms H has said she was aware of the loan by April 2024 so even though text messages were sent, this seems to be after the point Ms H was aware of the loan.

7. *NatWest questioned why Ms H has retained the joint current account.*

Why Ms H has retained the joint account isn't something I think I need to speculate on. There's nothing wrong in her having done so, though I understand NatWest are potentially making this argument to justify why they think Ms H knew about the loan. But, I'm not persuaded this changes anything.

Having reviewed Ms H's complaint again I still agree with the findings as set out in my provisional decision despite the additional points put forward by NatWest.

It therefore follows that I don't think NatWest should hold Ms H liable for the joint loan and it should remove the loan in its entirety from Ms H's credit file.

My final decision

My final decision is that I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 14 May 2026.

Marie Camenzuli
Ombudsman