

## Complaint

Mrs K has complained that Valour Finance Limited, trading as 'Savvy.co.uk,' is holding her liable for a loan she didn't take out.

## Background

Mrs K is unhappy that Savvy is asking her to repay a loan, which she said she didn't apply for. The loan application was made online using her personal details such as her name, address and date of birth.

Savvy paid the loan advance into an account that was provided in the application form and it sent her a direct debit mandate to complete. It was at this point that Mrs K found out about the loan. Her husband called Savvy immediately to report the fraud.

Mr K asked Savvy to cancel the loan agreement. He pointed out that the account details in the direct debit mandate were not Mrs K's bank details. The loan advance was not paid into her bank account. Also, the phone number and email address provided in the application were not hers.

Savvy wouldn't cancel the loan agreement. It said it had received the following verification documents in support of the application:

- a photo of the account statement into which the loan advance was paid, showing her name and address
- a copy of her industry membership card
- account statements showing payments from DWP
- a copy of her passport
- a copy of her birth certificate
- a copy of her wage slip for income verification.

It also asked Mrs K to prove the account wasn't hers with a statement or letter from the bank.

Mrs K explained that a few weeks before the loan was taken out, she'd been to a job interview. She said she was asked to provide the above documents. She believes that's when someone got hold of her personal details and used them to get the loan.

However, as she couldn't prove the account wasn't hers, Savvy's decision remained the same.

Mrs K was dissatisfied with this outcome so she brought her complaint to this service.

An investigator looked into her complaint and decided to uphold it because:

- the phone number and email address on the application were not hers
- the loan advance was not paid into Mrs K's bank account
- the direct debit mandate was set up for an account which she didn't have
- Mrs K had given a reasonable explanation for how a third party could have got her details and she had provided evidence of the interview.

He recommended that Savvy write off the loan and remove any negative information, which it had recorded against Mrs K's name on her credit file.

Savvy has not responded to the investigator's view and so this case has now come to me for an ombudsman's final decision.

## **My findings**

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 decided to uphold this complaint and for broadly the same reasons as those given by the investigator.

Unusually for this type of case, Savvy has sent us considerable number of identity documents, which support the loan application. However, as Mrs K has demonstrated, there was a golden opportunity for a third party to get hold of this information.

The loan application was made online on 25 August 2018.

Mrs K said she attended a job interview on 2 August 2018. She has sent us a screenshot of the email confirming the interview details. I can see she was asked to take her passport, birth certificate or driving licence, two documents proving her address and her national insurance number or pay slip. I'm satisfied Mrs K attended the interview and provided these documents.

Now, it could be a coincidence and the two events might be unrelated. It could still be that Mrs K applied for the loan but I don't think so. That's because of the discrepancies in the evidence, which Savvy has provided.

The phone and email address given in the application don't match those, which we hold on file for Mrs K. I accept a person might have more than one number or email address but I don't think that's the situation here. And that's because of other inconsistencies with the evidence.

The loan advance was paid into an account with business 'A'. The direct debit mandate included the details for the account with A.

However, A has confirmed that the accountholder is not Mrs K and that she doesn't have an account with it.

Savvy has provided evidence of payments into this account from an employer, 'B,' from April 2018 to August 2018. However, Mrs K didn't start her employment with B until 10 August 2018. Besides, we now know that Mrs K didn't have an account with A.

Savvy also called the third party because of a discrepancy in the wage slip that was provided. It is dated August yet has tax period 3 – which is June. The months don't match and suggests to me that the wage slip was forged.

Savvy also provided a letter, which appeared to confirm that Mrs K received universal credit. The letter said she was caring for one adult. And the account statement shows the payments.

We now know that Mrs K has no connection with that account. But I mention the universal credit because Mrs K confirmed she receives Universal Credit. However, it was for a different amount and it was paid into her account, which is with another bank. Mrs K's application for universal credit also states that neither she nor her husband have any health conditions. So she wasn't a carer.

Lastly, I've listened to the calls made by the person who applied for the loan and by Mrs K. Whilst I am not a voice expert, I don't think they are the same person.

All the evidence leads me to conclude that someone else completed the application.

In conclusion, I don't consider Mrs K applied for the loan. Therefore, it isn't fair for Savvy to ask her to repay it. I will now be instructing Savvy to put things right.

### **My final decision**

My final decision is that I'm upholding this complaint. I'm asking Valour Finance Limited trading as Savvy.co.uk to

- stop pursuing Mrs K for the loan, which she didn't apply for
- remove any data about this loan from Mrs K's credit record.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 19 April 2020.

Razia Karim  
**ombudsman**