

## **complaint**

Mr E complains that Lloyds Bank PLC ("the bank") allowed him to become a victim of identity fraud, and that he should be fully compensated for this.

## **background**

In 2012 Mr E was chased for debts, which brought him to realise that somebody had stolen his identity and taken out borrowings in his name. In June 2012 he contacted the bank about this, stating that he'd been the victim of fraud.

It transpired that the bank account, credit card, and loan that Mr E was being chased for repayment of had all been opened in November 2007.

The bank initiated a fraud investigation, and asked Mr E to complete and return a fraud declaration form. This wasn't returned.

It was noted by the bank that the various signatures deeming to be Mr E's didn't match, but that based on documents that Mr E provided it did appear that he sometimes used different signatures. The bank then concluded that because the photo on Mr E's driving licence which was used to open the accounts matched the photo Mr E had provided for the investigation, that there was nothing to suggest fraud and the claim was declined.

Mr E didn't accept this, and visited his branch to seek a review. In his meeting it was established what documentation the bank would need to complete its fraud investigation. However, Mr E didn't provide this documentation.

The bank then heard from the Citizens Advice Bureau on the matter, and it advised it that until the outstanding information was provided by Mr E, it wouldn't be able to change its decision to decline his claim.

The bank says that it made it clear what it needed to review its' decision, but that it couldn't change it because Mr E didn't cooperate and provide what was needed.

Mr E complained to this service, where our adjudicator considered all of the submissions and concluded that it seemed more likely than not that Mr E had been a victim of identity theft. She asked the bank to stop pursuing Mr E for the debts, to remove all associated adverse information from his credit file, and to pay him £350 in compensation.

Mr E didn't accept this resolution, stating that it was unbalanced and unfair. He said that the impact the fraud had had on him had been significant, and that he'd lost his house. He was also concerned that the debt collection agent to whom his debt had been sold on may have recorded information on his credit file. He sought referral to an ombudsman.

## **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'm satisfied that our adjudicator got it right when she found that Mr E had likely been a victim of identity theft, and said that the bank should takes steps to put him back into the position he was in before the accounts were opened in 2007.

I also think it was right to ask the bank to stop pursuing Mr E for the debts, to cleanse his credit file, and to pay him compensation.

On the matter of the level of compensation, I don't doubt that Mr E has been caused a lot of distress and inconvenience, but most of this is the responsibility of the fraudster and not the bank.

Insofar as the practical implications of what happened, and in particular the loss of his house, are concerned Mr E was asked to substantiate this and hasn't been able to do so. I'm therefore unable to take this into account when assessing compensation.

The bank has confirmed that no adverse information regarding Mr E's debts would have been recorded by the debt collection agents who purchased them, and the cleansing exercise it will undertake will remove any entries connection to the identity fraud.

The bank is willing to pay £350 for its failure to cooperate with and assist Mr E when he contacted it with his concerns, which doesn't seem unreasonable.

### **my final decision**

My final decision is that I uphold the complaint, and now require Lloyds Bank PLC ("the bank") to:-

- Stop pursuing Mr E for the debts
- Cleanse his credit file of any associated adverse entries
- Pay him compensation of £350

Under the rules of the Financial Ombudsman Service, I am required to ask Mr E to accept or reject my decision before 27 April 2015.

Ashley L B More  
**ombudsman**