

The complaint

Mr W complains about three fixed sum loan agreements taken out in his name with Clydesdale Financial Services Limited, trading as Barclays Partner Finance.

What happened

In April 2023, Mr W says he was coerced into taking out three fixed sum loan agreements with Clydesdale. The loans were used to pay for three brand new mobile telephone handsets. Mr W says he was then forced to give the handsets to third party.

Clydesdale's records show that Mr W explained that he had previously sort help from the third party, for some accountancy advice. But, the third party was able to gather enough information from Mr W, to apply for borrowing in his name with a bank.

After some of the proceeds of the borrowing were taken from Mr W's bank account, he says the third party made threats to Mr W and his family. Mr W says the third party accompanied him to a retail store and used the threats to coerce him into taking out the loan agreements with Clydesdale.

Around four days later, Mr W contacted Clydesdale to tell them what had happened, and he also contacted the police. Clydesdale reviewed what Mr W had told them, but said Mr W's evidence and the report from the police, didn't show that he was coerced by a third party. So, they held Mr W responsible for the repayment of the fixed sum loan agreements.

However, Clydesdale paid Mr W £163.62 because they had taken the first repayments for the loans, despite telling him they would suspend the Direct Debit, during their review of Mr W's concerns. Mr W didn't agree with Clydesdale's response and brought his complaint to us.

One of our investigator's looked into Mr W's case and found that Clydesdale had treated Mr W fairly. The investigator wasn't persuaded that Mr W was coerced or forced into taking out the loans and said it was reasonable for Clydesdale to expect Mr W to make repayments.

Mr W didn't agree with the investigator's findings and said another lender had accepted it was a third party who had applied for the other borrowing and that lender wasn't pursuing him for any repayments. So, Mr W, says Clydesdale should do likewise.

The investigator didn't change his conclusions and Mr W's complaint has now been passed to me to make a decision.

I sent Mr W and Clydesdale my provisional decision on this case, on 19 February 2024. I explained why I didn't think the complaint should be upheld. A copy of my provisional findings is included below:

Firstly, I'm very aware I've summarised this complaint very briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. Instead, I've

focussed on what I think is at the heart of the matter here. Namely, did Clydesdale treat Mr W fairly when the fixed sum loan agreements for the handsets were put into place?

If there's something I've not mentioned, it doesn't mean I've ignored it. I've not commented on every individual detail. I've focussed on those that are central to me reaching what I think is the right outcome. This reflects the informal nature of our service as a free alternative to the courts.

I'd like Mr W to know that I acknowledge the very difficult circumstances which brought about his complaint. It must have been a very troubling time and I hope things have improved for everyone concerned.

This case is about three fixed sum loan agreements with Clydesdale, which are in Mr W's name. These are regulated financial products. As such, we are able to consider complaints about them.

The involvement of the third party

Mr W has told us he travelled from his home to meet with a third party, who he thought would provide him with some accountancy advice. However, once with the third party, Mr W says they used his mobile telephone to take out a personal loan in his name. Mr W goes on to say that he was then made to transfer and withdraw some of the funds from the loan and give those funds to the third party.

Shortly afterwards, Mr W says he was threatened by the third party, who took him to a retail store, where he was coerced into taking out the three fixed sum loan agreements with Clydesdale.

I've thought about what Mr W has said and the evidence he's provided to support his side of the argument. Mr W hasn't provided any specific details about the third party, or any records of messages he'd received from them. I think this makes it difficult to see the type and severity of threats he says were made. So, I've considered the report Mr W gave to the police, to help decide if it's fair for Clydesdale to hold him responsible for the debt owed under the agreements.

Clydesdale have provided a copy of the police report and I can see the events leading up to taking out the fixed sum loan agreements are consistent with what Mr W has told us. But, I can also see that Mr W was unable to provide the police with a description or the names of the third parties involved.

After working with Mr W's bankers, I can see where the police were able to trace money transfers and the names of the third parties are mentioned. I can also see where Mr W described that he was intimidated into following a third party's instructions. However, the police report doesn't go on to explain the outcome of the police's investigation. And Mr W hasn't told us about any outcome. In other words, I haven't seen any evidence that the third party Mr W has told us about, was arrested, questioned, or charged.

Closed circuit television (CCTV) footage, the pattern of borrowing and the personal loan

I've also thought about the CCTV footage that Mr W says will be available from the retail store. Although we don't have that evidence, I'm not persuaded it would add much weight to Mr W's argument.

I say this because the footage is likely to show where Mr W says he was accompanied to the retail store. Mr W hasn't told us about any instances while in the store, so I don't think the

footage would be conclusive to show that he was coerced.

Moreover, I've considered that pattern of borrowing in that three fixed sum loan agreements were taken out with Clydesdale within minutes of each other. I agree the pattern in Mr W's case shows multiple applications. But, I also realise that it's common for a customer to take multiple products with the same provider and allow them to be used by family members, or people they are close to.

Given all the other circumstances in Mr W's case, I don't think the frequency of the applications should have triggered Clydesdale to prevent the applications from proceeding.

Finally, Mr W has explained that the provider of the personal loan made the decision to remove him from any responsibility to repaying it, because they agreed he hadn't applied for the borrowing. Because of this, Mr W says Clydesdale should make a similar finding.

I accept what Mr W says here in that the loan provider is likely to have reached that conclusion, if they found that a third party had applied for the borrowing without Mr W's authority. But, in this case the evidence shows where Mr W authorised the three fixed sum loans himself, in a retail store. So, I think there are clear differences between what happened with the personal loan and the agreements taken out with Clydesdale.

Summary

I've carefully thought about the evidence and what Mr W says about the background leading to the opening of the three fixed sum loan agreements with Clydesdale. I've also reviewed the police report and thought about the other relevant information Mr W says will show he was threatened by a third party.

Having considered all the evidence, on balance, I'm not persuaded that Mr W was coerced into taking out the fixed sum loan agreements for the handsets. So, I'm persuaded that Mr W gave his authority, or apparent authority for Clydesdale to open the loan accounts.

It then follows that I think it's fair and reasonable for Clydesdale to hold Mr W responsible for the repayment of the remaining balances due under the three fixed sum loan agreements.

Clydesdale say they made an error in taking the first payments for all three fixed sum loan agreements May 2023. They say they didn't place a pause on the repayments, despite telling Mr W they would. I can see that Clydesdale paid £163.62 to Mr W in recognition of that, when they completed their review. So, I think Clydesdale have treated Mr W fairly here.

But, I realise that my conclusions mean there will still be an outstanding balance owed by Mr W to Clydesdale. So, I remind Clydesdale of their responsibility to treat Mr W's financial circumstances with due consideration and forbearance. This will mean looking at Mr W's income and expenditure details to talk about any repayment options they are able to offer to him.

Mr W responded to the provisional decision and didn't accept it. In summary, he said:

- The threats made to him by the third party were in person and he was harassed during continuous calls from a withheld telephone number.
- Clydesdale should have applied a credit block which would have stopped any applications for credit from progressing.
- He has sent us evidence to show where he received a credit alert, from the time he

was with the third party and what a credit block by Clydesdale could have done.

Clydesdale responded to the provisional decision and had nothing further to add.

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.

Mr W has told us that he continues to experience significant difficulties after his meeting with the third party, that he thought was going to help with some accountancy advice. I acknowledge the troubling circumstances that Mr W has described and I can see how this must affect him in his day to day life.

I've considered what Mr W says about how he thinks the third party coerced him into taking out the fixed sum loan agreements with Clydesdale. I agree that it's possible for the threats to have been made verbally.

But, I don't think the report from the police or the other evidence available, supports Mr W's view that he was under duress and that he didn't give Clydesdale his authority for the agreements to begin.

I can also see that Mr W was prompt in contacting Clydesdale, after he had left the store. I accept that Mr W's actions here, show he wanted to reverse what had happened. However, I'm not persuaded that it shows where a third party had pressured Mr W into taking out the fixed sum loan accounts.

Additionally, I've looked at the screen shots Mr W has provided. The images show where he is able to place a lock on his credit report, to prevent any credit applications from proceeding. While I acknowledge that this function may have prevented the fixed sum loans with Clydesdale from going ahead, I also understand that Mr W says the third party asked him to disable the function.

In all the circumstances, I don't think that the lock on Mr W's credit report would have made a difference here. I say this because at the time of the three applications with Clydesdale, the credit lock function wasn't in place.

On balance I don't find that I have persuasive evidence to show where Mr W was coerced into changing his credit file status, so that a third party could apply for credit, without his authority.

Having thought carefully about all the additional comments Mr W has made, I'm still not persuaded that the evidence shows he was coerced into taking out the three fixed sum loan agreements with Clydesdale. Overall, I think Mr W gave his authority, or apparent authority for Clydesdale to open the loan accounts.

So, my conclusions remain the same, in that I think it's fair for Clydesdale to hold Mr W responsible for the repayments due under the fixed sum loan agreements.

My final decision

My final decision is that I don't uphold Mr W's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 April 2024.

Sam Wedderburn
Ombudsman