

The complaint

Mrs B has complained Fluro Platform Limited, trading as Fluro, is asking her to repay a personal loan she didn't take out.

What happened

In January 2023, Mrs B fell for a scam supposedly supported by a well-known influencer. This was to enable her to get additional payments as she was on universal credit. After being approached by a third party, she followed their instructions to download an app and then provided her login details to the third party. As the app was all about credit reports and she'd checked out the company online, she was persuaded everything was above board.

She then received three large sums into her bank account (with a business I'll call B). One was from Fluro for £10,000. And two other loans (from businesses I'll call R and A) for £10,000 and £7,000 were also credited to Mrs B's account with B. These were very much more than she'd expected but she was calmed by the scammer reassuring her. She then arranged transfers for the full amount. It was only later after a direct debit failed from a business claiming loan repayments that Mrs B started to doubt what had happened. It still took a bit longer – after a further direct debit failed – for her to realise she'd been the victim of a scam. Even when an initial direct debit hit her account, the scammer was able to calm Mrs B and reassure her that this was a part of the process.

It took her a bit of time to sort herself out mentally, but she realised there was an outstanding loan with Fluro for £10,000. In March 2023 she asked them to cancel this, but they confirmed they'd accepted her application after carrying out their normal checks and saw no reason why she shouldn't continue to be liable.

Mrs B brought her complaint to the ombudsman service. She has also brought complaints about B, R and A.

Our investigator had the benefit of copies of Mrs B correspondence with the scammer and Fluro's application evidence as well as the checks they carried out.

She believed Mrs B hadn't made the application but considered Mrs B should have been aware that loans had been applied for and the large funds in her account with B were the result of this. She asked Fluro to remove interest and charges from the loan, but Mrs B would remain liable for the capital amount of £10,000.

Mrs B was in a desperate financial state and had had to approach a debt charity to help her out with what had happened. She was also struggling mentally to cope with the implications of what had happened. However, she didn't feel she should pay anything towards a loan she didn't take out or benefit from.

Mrs B's complaint was referred to an ombudsman for decision.

I completed a provisional decision on 16 February 2024. I believed Mrs B hadn't applied, nor benefitted from the loan, so asked Fluro to write this off and remove all data from her credit

record.

Mrs B accepted this outcome. Fluro didn't. They remained sceptical about Mrs B not realising she'd taken out a loan and strongly felt her actions had led to this outcome. They were concerned about her lack of due diligence. They were also perplexed that I'd come to a different outcome to our investigator.

In the meantime, an investigator has reviewed Mrs B's complaint with B. She's asked B to refund some of the funds lost to Mrs B as she was the victim of the scam. B has confirmed they will be willing to repay the amount we believed was fair. They are prepared to pay specific amounts to the three loan companies direct if Mrs B accepts the outcome of the loan complaints.

I now have all I need to complete my final decision.

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.

Having done so, I've reached the same overall outcome as I did in my provisional decision, although this final decision lays out details of funds to be repaid to Fluro. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth confirming that it's not unusual for an ombudsman to reach a different outcome to an investigator. The rules of the ombudsman service provide either the complainant or the respondent the right to ask an ombudsman to consider their complaint if they don't accept an investigator's view.

Firstly, I can see the credit agreement was taken out in January 2023. How this happened isn't really in dispute and was covered in detail in our investigator's view of December 2023. I don't intend to repeat what happened as the details are distressing for Mrs B. However, I can confirm I have read the evidence carefully and am satisfied Mrs B didn't take out the credit agreement herself. Nor would she have initially been aware of this as her email address wasn't being used so she'd have received no direct notification from Fluro.

Fluro appear to accept Mrs B didn't take out the credit agreement but argue her use of the app, along with her sharing of personal details, meant she contributed to the loan being taken out. I don't dispute this, but I believe Fluro's approach ignores what was happening at the time and that Mrs B was being viciously scammed. And it's key to note that as I believe Mrs B didn't take out the agreement, then she has no contractual agreement with Fluro.

I'm surprised at the lack of empathy Fluro has shown for Mrs B.

The evidence indicates that this loan was taken out without Mrs B's consent. However, like our investigator I believe Mrs B could have been more alert to how the money appeared in her account and what that meant. I appreciate the success of scammers is to persuade people who are vulnerable in that moment and ensure they ignore what is really going on.

We are talking about three large sums of £10,000, £10,000 and £7,000 paid into Mrs B's account within three days. The narrative on Mrs B's bank statement identifies the payment from Fluro as a loan. Despite her being persuaded otherwise by the scammer, I feel a small

amount of online research would have alerted Mrs B to what was going on. However, we don't consider aspects of contributory negligence when reviewing cases where credit has been taken out fraudulently. And Mrs B has confirmed that whilst she was aware of the credits through her banking app with B, they didn't provide her with a full narrative of where the funds came from.

Mrs B was very nervous about ending up in debt and asked the scammer more than once whether these were loans. I note that she was willing to accept their statements despite her concerns. I'm also aware that since this happened Mrs B has been diligent in trying to do all she can to manage her finances carefully and sort out the consequences of the fraud. Her credit history, before the fraudulent loans were taken out, showed Mrs B had limited funds but carefully managed what she had and looked after her family carefully.

So, on balance I'm satisfied she wasn't aware these were loans.

I've not seen anything which would indicate Fluro could have known this application was fraudulent but as I say above there remains the issue that there is no contractual agreement between themselves and Mrs B. I'm aware some of the application details also differ from Mrs B's actual personal information.

The scammers managed to apply for three loans in Mrs B's name practically at the same time. This ensured that the companies involved weren't aware of the other applications and assessed her financial capability in isolation. Having reviewed Mrs B's bank statements and noting the financial assessment she's had carried out subsequently by a debt charity, I'm satisfied that if any of the companies involved had been aware of other applications, then this would have tipped the balance otherwise. However, Mrs B's financial capability isn't relevant to the decision I'm making.

I do have some questions about the credit score company, whose app Mrs B downloaded as this was the mechanism used by the scammers to make three fraudulent applications. And as I state above has been used in other fraudulent loan cases.

Putting things right

I note Fluro has agreed to only require the capital amount of £10,000 to be repaid by Mrs B. They've also indicated they would enter a repayment plan with Mrs B. However taking all the evidence into account, I will be asking them to write off the loan in full as I believe this is fair.

I'd also like Fluro to remove all information relating to this loan from Mrs B's credit record.

I confirm B has agreed to refund the loan companies in part for the payments Mrs B made to the fraudsters in January 2023.

I will be asking B to pay £4,722 of those funds to Fluro, which is a pro-rata portion of the amount B has agreed to repay. On receipt of those funds, Fluro will need to write off this loan in full.

When Mrs B confirms she accepts the outcome of this complaint, our investigator will be able to confirm to Fluro the contact details for Mrs B's bank which will enable them to be paid.

My final decision

For the reasons given, my final decision is to instruct Fluro Platform Limited, trading as Fluro, to:

- On receipt of £4,722 from B, write off the loan of £10,000 taken out in Mrs B's name in January 2023;
- Stop asking her to repay anything from this loan, including halting any collection of a third-party agency that has been subsequently engaged; and
- Remove all data about this loan from Mrs B's credit records.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 24 October 2024.

Sandra Quinn
Ombudsman