

## The complaint

Mr G complains that National Westminster Bank Plc (NatWest) is holding him responsible for the debt on a loan he says he didn't apply for.

## What happened

The background to this complaint is well known to both parties, so I won't repeat everything here.

In summary, on 19 July 2023 a loan was taken out with NatWest in Mr G's name for £9,900. The loan was paid into Mr G's NatWest account the same day. On 19 and 20 July 2023, most of the funds (£8,780 in four instalments) were transferred to an account with another bank (which I'll refer to here as Bank T), with the payment reference of '*friend*'.

Mr G first got in touch with NatWest on 25 August 2023 to let it know he'd not applied for the loan.

NatWest investigated but ultimately weren't persuaded that Mr G wasn't involved in taking out the loan and so it said it wasn't going to treat this as a case of impersonation. It continued to pursue Mr G for the loan.

Mr G referred his complaint about NatWest to the Financial Ombudsman.

Our Investigator looked into things but didn't uphold Mr G's complaint. Ultimately, she thought NatWest had done nothing wrong in pursuing Mr G for the loan.

Mr G didn't agree and so the case has been passed to me to decide. In short, he maintained that he was unaware a loan had been applied for. He said he thought the funds had derived from crypto as part of an investment which turned out to be a scam.

## 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 decided to not uphold it for materially the same reasons as our Investigator.

I've very carefully considered all the evidence provided – including Mr G's detailed account of what happened. And I'd like to assure Mr G that if I don't mention a particular point, it's not because I haven't considered it, but I've focussed instead on what I believe to be important to the outcome of this complaint.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened considering the available evidence and the wider surrounding circumstances.

Mr G has said that at the time of the loan application he was unfortunately in touch with, and being scammed by, a third party. However, this doesn't automatically mean NatWest should be required to write the loan off or waive the interest and charges. I'll explain why.

I can't be sure exactly what happened here, but it's not in dispute that a loan was applied for in Mr G's name via a device registered to his account. I can see from the loan application that Mr G's correct details – including his date of birth, postcode, telephone number, and his email address where used. NatWest approved the loan, and the funds were moved into Mr G's genuine NatWest bank account.

The loan funds were then moved out of Mr G's account to Bank T. NatWest has explained that Mr G registered for biometrics on 8 June 2023 and that a new phone was added to Mr G's account on 21 June 2023.

Mr G has said he provided the third party with the one-time passcode (OTP) allowing the new phone to be added to his account; and that he met with the third party to provide them with access to his biometrics. Mr G has maintained that this allowed the third party to apply for the loan without his knowledge. Mr G is adamant that the loan application wasn't done by him or via *his* phone.

I've first thought about whether Mr G either entered into the loan agreement or agreed for the third party to do so on his behalf. The loan application was made from within Mr G's mobile banking app, but from the newly added device. So, I can understand why this might support that it wasn't Mr G who made the application. However even if the application was physically keyed by the third party on another device, if this was done with Mr G's knowledge and consent, then I would still think it fair for NatWest to conclude that he'd entered into the loan agreement.

NatWest has told us Mr G would've been sent an email when the loan was approved (to his correct email address as showing on the application). Mr G has suggested he didn't receive that email – but I've not seen anything to indicate it wouldn't have been sent; and I can see that Mr G has received other emails during this complaint from both NatWest and our Service. And so. I think it's more likely than not that Mr G would've received the email about the loan.

I can also see that the loan is showing on Mr G's bank statement as 'New Loan'. Mr G has said the third party told him the '*money had come in*' which he said he could see from his account. But when challenged on this point by our Investigator, he said he didn't see the actual statement where the £9,900 shows as 'New Loan'. He said he thought the money was part of the crypto investment, and because crypto generates high returns, he didn't think this was an unrealistic amount to have in his account, so didn't question the source of the funds at that time.

I'm not persuaded by Mr G's testimony on this point. Especially as I can see from the technical evidence that he accessed his online banking on several occasions on 19 July 2023 via *his* phone *after* the loan funds were credited. And when doing that I think it's likely, on balance, that he would've at some point seen the reference to 'New Loan' on his online banking.

So, if Mr G had no involvement in the loan application as he says, it's difficult to understand why he didn't question receiving the email and seeing the credit to his account was a 'New Loan'. I also don't accept Mr G's suggestion that he was tricked into believing the loan was the proceeds from an investment (when evidence that it was a loan is so strong). And if he really wasn't involved in the loan application, I think he would've reported this to NatWest at the time; rather than waiting until 25 August 2023 as he did.

Overall, I think it's reasonable for NatWest to conclude that Mr G did consent to the terms and conditions of the loan. I think it's more likely than not he agreed for the third party to do so on his behalf.

Finally, Mr G has said he was '*ignorant*' to the situation he found himself in and felt scared of the implications of what had happened. Whilst I'm sympathetic to how Mr G was feeling, I don't think this was NatWest's fault. Ultimately, NatWest granted the loan to Mr G in good faith, in circumstances where Mr G, I believe, likely consented to the loan and the funds were paid into his account.

I'm sorry to hear of the situation that Mr G has unfortunately found himself in. But for the reasons I've explained, I don't think that was because of any fault on the part of NatWest. And so, it wouldn't be fair or reasonable to ask NatWest to write off the loan or waive the interest and charges.

I do however fully appreciate that Mr G is finding it hard to meet the loan repayments. NatWest should remain sympathetic towards him in this regard.

This is a difficult message for me to give as I know how strongly Mr G feels about this matter. But given the evidence I have, and on the balance of probabilities, I'm unable to reasonably reach any other conclusion.

### **My final decision**

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision **before 31 July 2024**.

Anna Jackson  
**Ombudsman**