

complaint

Mr B complains that Greenwood Personal Credit Limited (Greenwood) is asking him to repay a loan that was fraudulently taken out in his name.

background

Towards the end of 2011, Mr B was contacted by a debt collection agent about an outstanding debt. The debt was for a Greenwood loan, taken out in August 2009. Mr B says he did not borrow this money, nor did he borrow a smaller amount Greenwood says he took out four months earlier (repaid by the later loan). He believes these two loans were taken out by his ex-wife. Greenwood says it investigated the matter and, having spoken to the agent involved, was satisfied that the loans were taken out by Mr B.

Our adjudicator did not uphold the complaint. He found that Mr B had previously taken out loans with Greenwood and was unable to conclude that the 2009 loans – in Mr B's name with his signature on the agreements – were taken out by someone else. Mr B also argued that he could not have afforded the loan repayments but our adjudicator was not persuaded that the loans were unaffordable.

Mr B did not accept those conclusions so the matter was referred to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I do not uphold the complaint.

Mr B took out three loans with Greenwood in 2007 and 2008: two for £200 and one for £100. All were settled. This complaint centres on two loans taken out in April and August 2009: the first for £500, the second for £1,000. The first loan was settled by funds from the second.

Mr B says he knew nothing about these later loans until contacted by the debt collection agent in October 2011. He says his ex-wife had dealt with Greenwood and its agents in the past; he had simply signed the loan agreements. He says he did not take out the 2009 loans and that someone else – possibly his ex-wife – took them out without his knowledge. Mr B also says that he lived at the same address until April 2011 but Greenwood did not contact him there and its agent did not visit him.

Greenwood says that it investigated this matter when first contacted by Mr B in early 2012. It interviewed its agent who, it says, confirmed that the loans were taken out by Mr B. It has provided a copy of its report summarising this investigation. Greenwood also says that its system shows it sent Mr B more than a dozen reminder and arrears letters between October 2009 and March 2011.

I have reviewed the history of Mr B's account. No repayments were made to the account between September 2009 and July 2010 and only six repayments were made between July 2010 and April 2011. I am not persuaded that Greenwood made sufficient efforts to contact Mr B or followed its own procedures. For example, it does not appear that the local manager visited Mr B to discuss the account or that Greenwood passed the account to its solicitors, in line with its policy when no payments are made for 12 weeks. In the circumstances, simply sending Mr B a letter every other month demanding payment seems inadequate.

However, whilst I might consider Greenwood's administration of the account to have been poor, that is not enough to persuade me that the loans were taken out fraudulently.

I find the signature on the 2009 loan agreements to be the same as the signature on the 2007 and 2008 loan agreements. The 2009 loans were taken out several months before Mr B says he separated from his wife. It is possible, as Mr B accepts happened previously, that Mr B was asked by his ex-wife to sign the agreements and she would run the account. While she may have failed to do so, and for perfectly understandable reasons, this does not mean that Mr B is not liable for the outstanding debt. Finally, at least three of the six repayments to the account – in July and August 2010 – were made when Mr B says his ex-wife was not living with him. It is not clear how these payments could have been made without Mr B's knowledge or why they were made if the loan was taken out fraudulently.

I have a great deal of sympathy for Mr B if what he is saying is true. However, having carefully considered the evidence, I am unable to conclude that he did not take out the loan, either independently or jointly with his ex-wife. As such, I am unable to uphold his complaint.

Mr B is under no obligation to accept my decision; if he does not, he remains free to pursue the matter in other ways, such as through the courts.

my final decision

My final decision is that I do not uphold this complaint.

Simon Begley
ombudsman