

## **complaint**

Mr H complains that Provident Personal Credit Limited (trading as Satsuma Loans) wants him to repay money he says he doesn't owe. He says he didn't take out the loan, and that he's been a victim of identity fraud. He's provided letters from other lenders in support of this belief. Satsuma says these don't prove its loan was fraudulent. It says it conducted high-level verification checks when it received the online application. And it says Mr H hasn't reported the matter to his bank, A, where the loan proceeds were deposited. It believes the debt does belong to Mr H.

## **our initial conclusions**

Our adjudicator didn't think Satsuma had demonstrated it was entitled to seek repayment from Mr H. As well as the correspondence Mr H provided, there were several discrepancies between Mr H's personal information and the online application. The adjudicator wasn't persuaded Mr H was connected to the receiving account either. She proposed Satsuma stop pursuing Mr H for repayment, and pay him £150 for the difficulties its approach had caused. Satsuma maintained its position regarding Mr H's liability. And it said it didn't usually pay compensation on fraud cases<sup>1</sup>.

## **my final decision**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I don't think Satsuma's offered any persuasive evidence that Mr H applied for the loan, or that he received the funds. A's account holder has the same name as Mr H. And at one time, the account address was the same as Mr H's address. But A's told us there's no match on other personal data, such as the date of birth or phone numbers. It suspects this was due to drawing an incorrect link between the two Mr H's. I think that's quite plausible – Mr H does have an account with a subsidiary of A, and his credit file does show a link being drawn by A. The activity on the A account is in my view more consistent with a separate individual, living in a different part of the country from Mr H. Taking all the evidence into account, I'm not persuaded Satsuma's acting fairly in seeking payment from Mr H.

I think from the outset Satsuma has placed a burden on Mr H to prove its mistake, rather than properly assessing – or later investigating – the application it received. That's caused further unfairness to Mr H. He can't provide details of the A account to Satsuma if it's not his. I find Satsuma's caused Mr H a good deal of frustration and inconvenience in his attempts to sort out the problem. It's right it compensates him for this, though I think £250 is a more accurate reflection.

**My final decision is that Provident Personal Credit Limited (trading as Satsuma Loans) should pay Mr H £250. It should cease holding Mr H liable for the debt, and remove any data it's recorded in relation to Mr H with any external organisations. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H either to accept or reject my decision before 28 September 2015.**

*Niall Taylor*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

### **ombudsman notes**

<sup>1</sup> That may be Satsuma's general stance. But our scheme rules say that where I determine a complaint in favour of a complainant, my determination may include what I consider a fair amount for distress or inconvenience. Further information on such awards can be found in the DISP 3.7.2R section of the Financial Conduct Authority (FCA) Handbook, and in the technical guide we've published on our website.

### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.