

complaint

Miss H is unhappy because Provident Personal Credit Limited, trading as Satsuma Loans, is continuing to ask her to repay a loan which she says she did not apply for.

background

Satsuma received an online loan application from Miss H on 28 May 2014. After carrying out its verification checks and lending assessment, they lent her £150. The money was credited to Miss H's current account on the same day.

Miss H first complained to Satsuma in July 2014.

Our adjudicator investigated the complaint. He took into account a previous complaint that Miss H had made about her current account.

He also saw that the online application contained inconsistencies. In particular, the email address and mobile phone details differed from the information supplied to us (and also to Miss H's bank at the time the current account was opened).

The adjudicator did not think Satsuma had shown that Miss H applied for the loan. He suggested Satsuma should no longer ask Miss H to repay the debt and it should also remove any reference to this loan from Miss H's credit record.

Satsuma did not feel that the complaint about the current account addressed the issue of how the proceeds from the Satsuma loan were spent. It was not satisfied that Miss H had not benefitted from the loan.

The matter has been passed to an ombudsman to review the case.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

For a fraudulent loan application to work successfully, the person making the application has to be able to access the funds once the loan has been agreed. As Satsuma has pointed out, the funds need to be paid into a bank account. In Miss H's case, the funds were credited to her account and withdrawn using her debit card and PIN.

Apart from the loan with Satsuma, several other loans were taken out without Miss H's knowledge. These were also credited to her current account. The money was then, mostly, withdrawn from cash machines using the debit card which Miss H believes was stolen by her friend.

Miss H has said that all the other companies have accepted that she did not make these applications and they are not asking for repayment.

Miss H has told us her debit card was stolen from her bag in May 2014. She kept the card's PIN in the same bag. Miss H has suggested that her best friend (at that time) was the culprit. She has added this person knew a lot of personal information about her.

I will deal with both aspects of this complaint separately.

the loan application

I am satisfied that the mobile number and email address included in the online application differ from the details supplied to us and also (for the mobile number) to Miss H's bank when the account was opened in 2012.

Satsuma has provided a recording of a call made (using the number provided on the online application) before the loan sum was transferred and then a call with Miss H after the complaint had been submitted. Satsuma accepts that these calls are with two different people.

Regardless of these calls, Satsuma was still not satisfied that the activity on her current account had been accepted as fraudulent by her bank. I do not believe this is the key issue.

Specifically I believe the person Satsuma spoke to when setting up the loan was not Miss H.

Based on this evidence I do not think Satsuma has shown that Miss H applied for the loan.

the use of the loan proceeds

Satsuma is concerned that the activity on the current account has not been accepted as fraudulent. I accept the complaint we looked at did not make a specific finding on this activity nor do I propose to do so.

Miss H has provided an explanation as to how her debit card and PIN were obtained. She has said that they were stolen by her (no longer) best friend. All the information provided on the online application could easily have been obtained by someone with a basic knowledge of Miss H's personal and family circumstances.

Therefore, I don't think that Miss H applied for the loan. I am also satisfied there is no evidence to show she took the money from her account. So, I do not think Satsuma can continue to ask Miss H to repay this loan.

my final decision

For the reasons I've given, my final decision is to uphold Miss H's complaint. I instruct Provident Personal Credit Limited, trading as Satsuma Loans to:

- cancel Miss H's loan liability and stop asking her to repay any amount outstanding; and
- remove any detail of this loan from Miss H's credit record.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 14 September 2015.

Sandra Quinn
ombudsman