

## **complaint**

Miss H complains that Provident Personal Credit Limited, trading as Satsuma Loans, won't refund to her the amount that she has repaid for a loan that was taken out by her then partner without her knowledge or consent.

## **background**

Miss H's then partner applied to Satsuma Loans for an £800 loan in her name in August 2015. The money was paid into her bank account but he then transferred it to his account. A few weeks later Miss H found out about the loan and other frauds committed by her then partner in her name. She ended the relationship and – with the help of her father - repaid the loan (which had a balance of £932.60). She then contacted Satsuma Loans and her bank about the fraud. Satsuma Loans agreed to remove the loan from her credit file and suggested that she ask her bank to refund the repayment to her. But her bank refused to do so because she had breached the account terms and conditions by providing her secure account information to her then partner. So Miss H asked Satsuma Loans to refund the repayment to her. She wasn't satisfied with its response so complained to this service.

The adjudicator recommended that this complaint should be upheld. He concluded that Miss H's bank hadn't refunded the payment to her and that she was entitled to bring a complaint against Satsuma Loans. He was satisfied that the loan application had been fraudulently made by Miss H's then partner without her knowledge and consent. He noted that the phone number given on the application was his number – and not Miss H's number. The adjudicator was satisfied that Miss H didn't apply for the loan with Satsuma Loans and didn't receive any benefit from it. So he recommended that Satsuma Loans should refund £932.60 to Miss H with interest.

Satsuma Loans has asked for this complaint to be considered by an ombudsman. It says, in summary, that Miss H was happy with the outcome of her credit file being amended and that it advised her to take up the refund of the money with her bank - which she agreed to do. It has provided a call recording in which it says that Miss H confirmed that she was happy for it to remove the account from her credit file and that that was the end of the matter.

## **my findings**

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

There doesn't seem to be any dispute that the loan was taken out without Miss H's knowledge or consent. And Satsuma Loans has agreed to remove the loan from her credit file. Miss H asked her bank to refund the loan repayment of £932.60 to her account – but it wrote to her and said that it wouldn't do so because she provided her account and log-in details to her then partner – and he was then able to use them to transfer the loan amount from her account to his account.

As the loan was taken out without Miss H's knowledge or consent, she is entitled to claim a refund of the loan from Satsuma Loans. It says that she has accepted its offer to amend her credit file and that she was going to take up the loan refund with her bank. But I've listened to that call recording – Miss H says that she was in discussions with her bank and that the police were involved. But I'm not persuaded that anything that she said in that call releases Satsuma Loans from any potential liability for the loan amount.

I consider that Miss H has tried to “*do the right thing*” at all stages of this complaint. And I find that it would be fair and reasonable for Satsuma Loans to refund £932.60, with interest, to her.

**my final decision**

For these reasons, my decision is that I uphold Miss H’s complaint. In full and final settlement of it, I order Provident Personal Credit Limited, trading as Satsuma Loans, to:

1. Refund £932.60 to Miss H.
2. Pay interest on that amount at an annual rate of 8% simple from the date of payment to the date of settlement.

If Satsuma Loans deducts tax from the interest element of my award, it should send Miss H a tax deduction certificate when making payment. She can then use that certificate to reclaim the tax if she is entitled to do so.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss H to accept or reject my decision before 25 April 2016.

Jarrold Hastings  
**ombudsman**