

complaint

Mrs B complains that Provident Personal Credit Limited (trading as Satsuma Loans) is holding her responsible for a loan that was taken out fraudulently in her name.

background

Mrs B says that a relative with mental health issues took out a loan without her knowledge in June 2013.

Mrs B accepts that she opened the account that the loan was paid into. But she had no idea that the relative was using it. She didn't authorise her to use it, and didn't realise what was happening as the relative intercepted the relevant statements before she could see them.

Mrs B reported the relative to the police. She says the relative pleaded guilty to taking out a mortgage fraudulently. And the police have told us that the relative (and another person) have been found guilty in connection with the mortgage fraud. Mrs B says that the relative took out other loans in her name too, and that the relevant providers have written off those loans.

Our adjudicator was satisfied that Mrs B didn't know about the loan or benefit from it. So she thought Satsuma should write it off and remove all associated entries from Mrs B's credit file.

Mrs B was happy with this. But Satsuma says it hasn't been provided with enough evidence to substantiate Mrs B's version of events. So it doesn't think it should be required to write off the loan. It says it will act when the relative is prosecuted for this matter too.

my findings

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 agree with what the adjudicator has said.

Like the adjudicator, I find that Mrs B has been credible, and has provided us with detailed submissions in connection with this complaint. And we've spoken to the police in connection with this case. In the circumstances and on balance, I'm persuaded by what Mrs B has told us. I'm satisfied that she didn't apply for the loan. So I don't think it would be fair to hold Mrs B responsible for it either.

I appreciate that Satsuma thinks Mrs B should act to get her relative prosecuted for this matter too. But I don't need her to do that to uphold this case. Having reviewed what the police have told us, I understand why she hasn't done this.

my final decision

My final decision is that Provident Personal Credit Limited (trading as Satsuma Loans) should write off the relevant loan, and remove all information about it from Mrs B's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 16 July 2015.

Laura Forster
ombudsman