

## **The complaint**

Mr W has complained about the way Vodafone Limited contacted him after he'd missed a payment towards a fixed sum loan agreement he had with it.

## **What happened**

The circumstances of the complaint are well known to the parties. So I won't repeat everything here. But, in summary, Mr W has fixed sum loan agreements with Vodafone. He says he missed a payment and was unhappy Vodafone wrote to him to say it would place a default marker with the credit reference agencies. He complained to Vodafone and said the email caused him distress, and it had not taken into account his vulnerabilities that it was aware of.

Mr W says Vodafone wasn't allowed to record a default unless he'd missed three payments. So when it wrote to him about adding a default after one missed payment this wasn't fair. Mr W requested compensation for the distress and inconvenience as well as an apology. He also requested the Financial Ombudsman ask Vodafone to change its wording to known vulnerable customers and to not use scare tactics to get customers to pay. Mr W says he was aware of the balance, but he's unhappy with the notice saying a default would be registered.

Vodafone didn't uphold the complaint, so Mr W referred it to our service to consider. One of our investigators looked into things but didn't make any recommendations. She said she'd seen that Vodafone had noted Mr W's vulnerabilities. She'd also looked at the correspondence and noted Vodafone had explained to Mr W his account was at risk of being passed to a debt collector (after a missed payment). She'd also noted it had sent a notice of sums in arrears. But she couldn't see anything sent to Mr W that said he'd be defaulted after missing one payment.

Mr W didn't agree with the assessment. He said his complaint was that he was only one month in arrears when he received an email saying Vodafone *will* register a default if he failed to pay the arrears. Our investigator said she'd not seen this is what happened so asked for a copy of the email, but Mr W wasn't able to supply it.

As things weren't resolved, the complaint has been passed to me to decide.

## **What I've decided – and why**

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

Mr W has complained about Vodafone's contact in relation to a fixed sum loan agreement. This is a regulated consumer credit agreement and I'm able to consider complaints relating to these sorts of agreements.

I can understand why Mr W would have been worried if Vodafone told him it was going to default him after one payment. While not the case for every scenario, with regards to recording defaults the industry guidance says generally this may occur when the customer is three months in arrears.

I've seen various letters that Vodafone sent to Mr W off the back of missed payments. As our investigator pointed out, I can see Vodafone notified Mr W of missed payments and said it may pass the account to a debt collection agency if it wasn't brought back up to date. While I appreciate these sorts of letters can be worrying, I don't think the content of them was unreasonable given Vodafone is able to pass accounts to debt collectors in certain scenarios. In any event, Mr W has complained about being told a default would be registered. So this is what I've concentrated on when reviewing his complaint.

The problem I have is that Mr W hasn't been able to show us the contact he's referred to that says Vodafone would default him after one missed payment. I've reviewed the documents that Vodafone has sent us. And looked for mention of it in the contact notes it's supplied, but I've not seen that Vodafone told him it would do that.

In the absence of sufficient evidence, I don't find I have the grounds to say that Vodafone has acted unfairly with regards to saying a default would be recorded at an unreasonable time. So I'm not going to be directing it to take any action.

I'd recommend Mr W speaks to Vodafone about any outstanding balances. And I'd remind Vodafone to treat him with forbearance and due consideration if there are any arrears he's unable to clear straight away.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 November 2023.

Simon Wingfield

**Ombudsman**