

The complaint

Mrs M has complained that Virgin Media Mobile Finance Limited has sent her notices to repay a debt which isn't hers.

What happened

In December 2022 Mrs M got a letter telling her she was in arrears for a credit agreement taken out for a mobile handset. She got in touch with Virgin Media to say she'd not taken out a fixed sum loan agreement with them. Virgin Media's evidence showed Mrs M taking delivery of their handset in November 2022 so continued to expect her to repay what was owed.

Mrs M was unhappy about what had happened and brought her complaint to the ombudsman service. In support of her complaint, she provided details about her report to Action Fraud.

Our investigator felt that Virgin Media had no reason at the time the agreement was taken out to believe this was a fraudulent account as their credit check matched. It's also the case that Mrs M took delivery of the handset. All correspondence was to Mrs M's address although the email address and mobile provided at the time the account was opened was not in her name.

Mrs M's complaint has been managed by her representative who asked for an ombudsman to consider Mrs M's complaint.

I completed a provisional decision on 25 September 2023. I believed there was insufficient evidence to show Mrs M had taken out the credit agreement and asked Virgin Media to cancel the credit agreement.

Virgin Media had nothing further to add to the provisional decision.

I now have all I need to complete my final decision.

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.

Having done so, I've reached the same outcome as I did in my provisional decision. What follows explains my thinking.

I can see that a credit agreement was taken out in Mrs M's name in November 2022. This was taken out through Virgin Media's webchat service. Fortunately Virgin Media retained a copy of this and has been able to provide this to our service.

I can see at the time Virgin Media also queried the fact that whoever was participating in this chat used a different email address to Mrs M's. This on its own isn't enough to confirm somebody else was using Mrs M's details to take out a loan. But I wonder why Virgin Media

didn't investigate this further as they obviously had doubts about what was going on and the mismatch of details.

However from what I know about Mrs M, I think it's highly unlikely she would be ordering a handset using a webchat service – she already has a mobile which she uses, and she falls into the demographic of those who don't necessarily renew their handset every year.

I can also see that whoever was taking out this loan was pretty au fait with the model and service they wanted. Mrs M's representative has confirmed – and I see no reason to doubt this – that Mrs M isn't tech-savvy.

I've seen the evidence Virgin Media has provided to show Mrs M taking delivery of the mobile phone handset. This isn't in dispute, but I don't think this is the whole story. Mrs M has told us that soon after, the individual – who she thought was the original delivery person – knocked her door again and told her they'd delivered to her in error. As Mrs M wasn't expecting a delivery, she was happy to give the item back to them.

I've considered the possibility that what actually happened was Mrs M allowing someone to take out a loan in her name and subsequently a dispute arose. That is certainly possible, but there's nothing to indicate that's what happened here.

As soon as Mrs M got the letter about the agreement falling into arrears, she took this up with Virgin Media as she didn't recognise the agreement as hers.

Virgin Media told us they checked the account details they were using to take the direct debits matched with Mrs M's account. However Mrs M's representative has told us this isn't her account. Mrs M's bank account – and the only one I can see on her credit record – is with a different bank. This isn't the one where the direct debit payments were supposed to come from.

I'm not satisfied there's sufficient evidence to indicate Mrs M took out the loan with Virgin Media. She didn't agree to the terms and conditions, nor did she benefit from the handset.

Therefore Virgin Media can't continue to hold her liable for repayment. They don't have grounds for this as I believe Mrs M didn't take out the loan.

Putting things right

I believe in the time that's passed, a default may well have been added to Mrs M's credit record. This will need to be removed, along with any record of the agreement taken out in her name.

I am concerned about the impact this has had on Mrs M and I believe Virgin Media could have taken steps to alleviate this, knowing her personal circumstances. Overall I believe their actions added to Mrs M's distress and I'm going ask them to pay Mrs M £100 in compensation.

I have no power to ask Virgin Media to take any action on the related airtime contract as that isn't a regulated credit agreement so doesn't fall under our service's remit. I'm sure, however, in light of what I've said they will take appropriate action to cancel that contract.

My final decision

For the reasons given, my final decision is to instruct Virgin Media Mobile Finance Limited to:

- Cancel the credit agreement in Mrs M's name for a mobile phone;
- Stop pursuing Mrs M for any debt related to this agreement;
- Remove this agreement from Mrs M's credit record; and
- Pay Mrs M £100 for the distress caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 22 November 2023.

Sandra Quinn
Ombudsman