

The complaint

Mr C has complained about the way Vodafone Limited dealt with him in relation to two fixed sum loan agreements he'd taken out to buy devices.

What happened

Mr C contacted the Financial Ombudsman in May 2022 and in summary, he said he was unhappy with the way Vodafone was administering his credit agreements. Mr C also mentioned he was unhappy with how Vodafone dealt with a Subject Access Request (SAR) he'd made. He also had a complaint raised through another Alternative Dispute Resolution (ADR) scheme about the issues he was having with Vodafone. This resulted in £250 compensation having been agreed between the parties around May 2022.

Mr C was still unhappy with Vodafone. He contacted us in June 2022 to say it was causing him distress and inconvenience. He said Vodafone had been misinforming him about his balances and that this caused him financial difficulties.

It looks like around this time Vodafone sent Mr C a deadlock letter saying it offered him £200 compensation, but this was refused. Mr C raised another complaint with Vodafone in July 2022 because he says he'd been misinformed about his payments and due dates.

Around August 2022 Vodafone said the complaint wasn't suitable for the Financial Ombudsman because of the ADR schemes involvement. And that there hadn't been any issues since the £250 compensation having been agreed via the other ADR scheme. It said Mr C was paying manually because he'd cancelled his direct debit. It said it had not recorded any negative data on his credit file. And that if Mr C wanted to set up the direct debit again it could help. Mr C said there were new issues that needed to be dealt with as a new case.

Vodafone sent a final response in October 2022 for another complaint Mr C had raised in August 2022. This was in relation to an incorrect address being on his device plan agreements. In summary, it said it had made an error by using the delivery address instead of Mr C's home address. It apologised, made the amendments and offered Mr C £300 towards his airtime account.

Vodafone also tells us it credited Mr C with £200 in September 2022 for another complaint he'd raised in relation to an agent he'd spoken to back in August 2022. Vodafone said it felt the call could have been handled better which is why it offered compensation.

We spoke to Mr C who gave us some more clarity on what he was unhappy about since the other ADR scheme investigation. He said there was a number of issues with regards to being misinformed when he called to pay Vodafone and being told about missed payments. He said he was unhappy with the way it was closing down complaints without addressing them or merging them together. And he mentioned his agreement had been passed to debt collection agencies without notification.

Vodafone sent its file to us with details of what happened. It said it had made several payments of goodwill to Mr C's account since the complaint with the other ADR scheme. In

summary, Vodafone thought it dealt with things fairly. It said it sends payment reminders when Mr C hasn't paid on time and that Mr C still had the option to pay by direct debit rather than by paying manually. Vodafone didn't offer anything else.

One of our investigators looked into things and thought that Vodafone had broadly responded fairly up the point it sent in its file to the Financial Ombudsman in April 2023. He said he could only consider the complaints relating to the regulated credit agreements. He said there were some occasions Mr C didn't make payment on time, but there were occasions Vodafone accepted some responsibility for things going wrong given it paid Mr C awards of compensation. He said Vodafone ought to have known from June 2022 Mr C was vulnerable and that some of the complaints could have been avoided if it had made some adjustments to help him. Our investigator said the issue with an incorrect address seems to have been resolved when Vodafone amended things and awarded him £300. He noted there were various complaints raised and that Mr C was unhappy with how they were handled.

In summary, our investigator said Vodafone paid Mr C a number of awards totalling somewhere in the region of £1,000 across various accounts he has. He said he didn't have the grounds to direct Vodafone to do more by way of compensation. But he said that Vodafone should remove any adverse information from Mr C's credit file from June to September 2022 because he thought Mr C had demonstrated he was looking to meet his payments up until then.

Mr C felt he was being penalised for being compensated for other issues, but our investigator said he considered things as a whole. Vodafone responded to say there was no adverse information recorded on Mr C's credit file for the period the investigator mentioned.

As things weren't resolved the complaint was passed to me to decide.

I asked our investigator to contact the parties. I wanted him to set out that I would only be considering the complaint relating to the period from the other ADR scheme involvement up until the time Vodafone sent in its file in April 2023. I said we wouldn't be commenting on things after this time because they'd not already been considered by Vodafone. I also asked our investigator to reiterate that we would only be considering the complaints relating to the regulated credit agreements. I wanted to ask Mr C what complaints he'd accepted resolution on during the relevant period. And I wanted to ask Mr C what he wanted to resolve the complaint.

Our investigator spoke to Mr C, and he accepted that he would need to raise a separate complaint about what happened after April 2023. And he said he was speaking to the Information Commissioners Office (ICO) about how a data subject access request was handled by Vodafone. With regards to what was outstanding, Mr C said that complaint references that were met with compensation had broadly been resolved. His main remaining concern was that Vodafone linked everything together. He said there were times Vodafone paid him compensation and that it indicated he didn't need to make a repayment to the credit agreement for that month, which caused problems. He said Vodafone failed to administer the agreements properly.

Our investigator asked Mr C to tell us more about when he received misinformation from Vodafone about payments that were owed. And he asked what Mr C wanted to resolve the complaint.

Vodafone responded to say it had applied a total of £1,264.64 in credit to Mr C's account between June 2022 and February 2023. It was able to supply three call recordings from 2023 but older calls weren't available.

I issued a provisional decision that said:

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide the complaint quickly and with minimum formality. I want to assure Mr C and Vodafone that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr C bought devices using fixed sum loan agreements from Vodafone. These are regulated consumer credit agreements. And our service is able to consider complaints relating to these sorts of agreements. But, as has been pointed out, I'm not able to consider complaints that solely relate to the airtime contract Mr C has with Vodafone. I'm not going to be commenting on the specific issues Mr C had with regards to his airtime. But given some of the issues are linked, I need to have regard to what's happened overall.

Mr C has indicated he's broadly satisfied with the complaints he's raised that he's received compensation for. It seems that the main outstanding issue he says hasn't been considered is in relation to issues he's had making payments, and the way Vodafone administered his complaints. I've therefore looked through the contact notes and focussed on what might be relevant.

I can see Vodafone removed late payment markers in May 2022 after speaking to Mr C and it looks like he was happy with this and was happy for the complaint to be closed. In June 2022 he had issues with using his phone abroad, but I think this is mainly in relation to his airtime so I'm not going to comment on that.

Mr C hasn't told us the specific times he was unhappy with the way Vodafone dealt with the outstanding payments. Our investigator looked through the contact notes and requested the calls that he thought might be relevant. Vodafone was only able to supply a few calls from 2023 because the earlier calls weren't retained. Two of the calls were in relation to Mr C asking to come to an arrangement to pay because of his financial situation. And one call was in relation to a complaint he was looking to raise about how he was spoken to by an agent who'd called him seeking payment after he'd set up a payment plan. The calls I've listened to were handled reasonably by Vodafone. But I appreciate there were other calls Vodafone has compensated Mr C for that he says weren't handled well. It's difficult for me to comment on the calls in 2022 that Vodafone hasn't been able to supply. I can see Vodafone has supplied Mr C with copies of call recordings, so if there are any calls he thinks are particularly relevant he can supply them in response to this provisional decision.

I've looked through the contact notes about complaints Mr C raised with regards to being misinformed about dates and amounts payable. I can see he complained because he had different contracts, so he wanted to be told prices for each contract correctly. I can see he was offered £100 in August 2022 for misinformation about his billing enquiries (along with another amount for network issues). The notes indicate at that point, this had happened three times. Some of the notes indicate Mr C was angry with the agents. And I can also see he was unhappy complaints were closed without him agreeing to them.

I can see in November 2022 Vodafone again acknowledged information given to Mr C about what was owing was unclear and it removed arrears of around £100 on the two credit agreements and it removed a balance on the airtime.

Mr C received a further £20 for the way a call was handled in January 2023. He was incorrectly advised a complaint couldn't be raised for another agent. I can see Mr C called again in February 2023 complaining payments weren't going through successfully. But

Vodafone didn't uphold this because it found the payments weren't going through due to an instruction it received from the bank. Mr C also complained again that complaints were being closed incorrectly without his agreement. But it looks like at this point Vodafone wanted Mr C to approach the Financial Ombudsman if necessary.

Mr C spoke to Vodafone again in March 2023 because he was struggling with mental health issues, and he hadn't been working for around 6 months. He discussed disconnecting his phone. This was around the time we were sent Vodafone's file.

It doesn't seem to be in dispute that there were some errors made by Vodafone when discussing what was owed with Mr C. It compensated him for things he said went wrong. The compensation I've seen it has paid for those mistakes broadly seem fair. The impact of not knowing what was owing on an agreement may have meant Mr C didn't know what to pay, and when. This would have been frustrating and worrying if he found out he'd missed a payment that was due. I can also understand why Mr C may have wanted or expected compensation that was being paid to go towards his credit agreements, but this didn't always happen. A lot of the compensation went towards the airtime.

I appreciate Mr C wants each complaint looked at in isolation, and he's unhappy with the way Vodafone closed down certain complaints, but I've already explained to the parties that given there's been so much happen during the course of the complaint, and so many instances of compensation being awarded, I consider the fairest way to look at it – bearing in mind my requirement to do so quickly and with minimum formality – is to do so holistically. Some of the things that went wrong were to do with the airtime. And Mr C has accepted the resolution for other things that went wrong. But, like our investigator pointed out, I'm conscious that, for the period I'm looking at, Vodafone has compensated Mr C one way or another over £1,200. This is a significant sum. While I can appreciate Mr C is very upset with the way things have been handled over the period in question, I've not seen enough to say, in the round, Vodafone should do more. It looks like Vodafone has tried to put mistakes right. It's been difficult because there have been so many complaints raised. This indicates there's been several things gone wrong. But, taking a step back and reflecting on the relevant period, I've not seen enough to say it needs to do more.

The only other thing I need to think about is the impact any missed payments had on Mr C's credit file. Our investigator said any adverse information up until September 2022 should be removed. Vodafone explained there were no negative markers placed on his credit file for the credit agreements in 2022. So I no longer need to recommend anything for that period. Negative markers were placed from March 2023 on one agreement, and from April 2023 on another. Given what I've said above, I'd only be able to consider the late payment markers recorded in March and April 2023. This is the time Mr C reached out because of his financial difficulties. I think any missed payments recorded for those months are fair and accurate. I'm therefore not going to direct Vodafone to remove any missed payments for those two months.

I think the compensation Vodafone has paid Mr C for the period of complaint I'm looking at is broadly fair for all the issues he faced. I don't have the grounds to direct it to do more. I hope this helps the parties draw a line under the relevant period.

As already pointed out, if Mr C is unhappy about something that's happened after April 2023, he would need to take this up separately with Vodafone in the first instance, so it has a chance to respond. If he's unhappy with the answer it may be something our service is able to consider. And, of course, I'd also remind Vodafone of its obligations to treat Mr C with forbearance and due consideration if he's in financial difficulties.

Vodafone responded to say it accepted the decision. I've not seen we've received a substantive response from Mr C.

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.

Seeing as though I've not been provided anything materially new to consider, I'm not going to depart from the conclusions I reached in my provisional decision. I think Vodafone has done enough to put things right.

My final decision

My final decision is that I think Vodafone Limited has done enough to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 February 2024.

Simon Wingfield
Ombudsman