

The complaint

Mr F has complained about the way Vodafone Limited dealt with him after he tried to place an order for an upgraded device.

What happened

In August 2022 Mr F applied for an upgraded device with Vodafone online. Vodafone carried out a credit search for a fixed sum loan agreement. Mr F wanted to trade in his old device, which he had also bought under a fixed sum loan agreement with Vodafone. There were issues with the trade-in for the order and Mr F contacted Vodafone for help. He also visited a Vodafone store to request the upgrade.

Vodafone tells us there's no record of conversations that took place in the store regarding the upgrade. But it acknowledges there was an issue with applying the trade-in code provided so the order was cancelled.

Mr F and Vodafone liaised about the issue. It looks like Vodafone told Mr F initially the complaint wasn't to do with a financial service (and therefore one the Financial Ombudsman could consider) because it was to do with the trade-in. Mr F was still unhappy, and he complained.

Vodafone sent Mr F a final response letter in October 2022. In summary, it said there was a technical issue that resulted in his trade-in options not being applied. It said a credit search was completed and the loan agreement was generated even though Mr F says he hadn't authorised this. It apologised it had previously told Mr F this wasn't a financial services complaint. It referred to a request from Mr F to receive a device for no cost to resolve the complaint but declined this. However, it offered Mr F £100 credit towards his airtime as compensation in recognition of the experience he had.

This didn't resolve things for Mr F, and he brought the complaint to our service to consider. He said Vodafone offered no mitigation or explanation on why and how it happened. He said Vodafone wasn't interested in how many people he was passed around. He's unhappy Vodafone tried to tell him it wasn't a financial services complaint. He thought Vodafone had breached data protection and he was pressured to drop the complaint. He said he'd like to have the agreement cleared for his current device along with apologies from all staff members involved.

In its submission to our service Vodafone apologised again that Mr F was pressured to drop his complaint and said it would provide feedback internally. But it reiterated its apology and that it thought the £100 credit was a fair offer.

Mr F spoke to our investigator and explained he couldn't understand why an agreement was produced as there wasn't sufficient information. He said the agreement should have been read before it was produced. He says the agreement shouldn't have been live on Vodafone's systems. Mr F also explained to our investigator the order wasn't processed properly. He says his credit score was impacted by searches completed by Vodafone, and that he wasn't told a search would be carried out.

Our investigator looked into the complaint but thought Vodafone had done enough to put things right. He said it was clear there were problems with the application, but Mr F hadn't shown what impact this had on him. With regards to the credit search, he said he couldn't establish what was said in the store, but he'd been told the store employee should have given Mr F a warning that one would be carried out. There were parts of the complaint our investigator didn't think he could consider but, in the round, he thought Vodafone had done enough to put things right.

Mr F didn't agree. He said he wasn't given a warning about a credit search being carried out. He gave details about Vodafone's processes and said the order can't have been processed correctly. He said he wanted his complaint considered by an ombudsman because Vodafone had created an agreement without Mr F's knowledge. In summary, he says:

- He never signed a credit agreement.
- The order didn't progress to the credit check part.
- The order should have stopped when the trade-in part couldn't be completed.
- All orders were stopped.
- If an order was completed this was a mistake.
- The credit check wasn't done by him, and it shouldn't have happened.

As things couldn't be resolved, the complaint has been passed to me to make a 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.

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 want to assure Mr F 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.

I also want to point out that I'm required to decide the complaint quickly and with minimum formality. I think this is important to set that out here. Mr F clearly has a lot of knowledge of the process involved when making an application. And I can see he's unhappy because he thinks Vodafone hasn't followed the correct process. Given his knowledge of how the sales process works, I can understand his frustration, and that he tells us he's not had adequate explanations for what happened. He's also unhappy with the way Vodafone dealt with him and the pressure it put on him to drop his complaint. In addition to that, Vodafone initially said this complaint wasn't in relation to a financial service. Taking all of this into account, it's not surprising Mr F wanted to take things further. I imagine he didn't think he was being listened to. He was unfairly put under pressure to drop his complaint. And he's unhappy Vodafone seems to have processed the application incorrectly.

I've thought about Vodafone's response to what happened. It's apologised to Mr F. It's fed back internally about things that have gone wrong. It's said it's not recording anything negative on Mr F's credit file. It acknowledged the order had issues. And it credited Mr F with £100 in relation by way of compensation.

Mr F isn't happy with the resolution. But bearing in mind my requirement to resolve complaints quickly and with minimum formality, I find the outcome reached to be broadly fair. Mr F mentioned previously about having an agreement cleared for a device, but I don't have grounds to direct Vodafone to do that. Mr F is adamant the process followed by Vodafone was wrong. And he has further questions about why. I'll never know exactly what happened

when the application was made, but further back and forth with Vodafone seeking more explanations isn't going to change what has already happened. I need to be able to draw a line under the investigation so that the parties can move on.

Like our investigator pointed out, we have to look at the impact of mistakes on consumers. While I can appreciate he's unhappy, and that I empathise, there's been no financial loss caused to Mr F from what I've seen. Moreover, Vodafone has said it's not reporting anything negative on Mr F's credit file. Given it's been around a year since the hard search was carried out, I don't consider I need to direct Vodafone to remove the search, as I've not seen the hard search (or any other reported information) has caused any lasting detriment to his credit file.

Overall, mistakes have been made, and Vodafone has credited Mr F £100 in recognition of what's gone wrong. In the round, I think that's broadly fair. I don't find I have the grounds to direct Vodafone to do more.

My final decision

My final decision is that Vodafone Limited has done enough to put things right by crediting Mr F £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 14 August 2023.

Simon Wingfield
Ombudsman