

The complaint

Mr L complains about the service provided to him by Virgin Media Mobile Finance Limited ("Virgin") in respect of a fixed sum loan agreement ("agreement") he took out with it for a mobile phone ("phone").

What happened

On 19 October 2021 Mr L entered into an agreement for a phone costing £1,152. Under the terms of the agreement, everything else being equal, Mr L undertook to make 36 monthly payments of £32 – making a total repayable of £1,152 at an APR of 0%.

On 23 October 2021 Mr L cancelled his agreement with Virgin, something that was acknowledged by Virgin the same day.

On 24 April 2023, after Mr L had complained about being pursued for £1,152 from Virgin and one of its agents, Virgin issued a final response letter ("FRL"). Under cover of this FRL Virgin said that the reason it (and its agent) was pursuing Mr L for £1,152 was because the phone (linked to the cancelled agreement) hadn't been returned to it.

On 2 August 2023 Mr L confirmed to our service that:

"The phone...still remains in its box...therefore the phone awaits further advice"

On 8 August 2023 Virgin confirmed to our service that if Mr L was to return the phone *"in pristine condition"* then it would *"unwind the loan, re call the debits and fix his credit file"* [sic].

On the same date Mr L confirmed to our service he wasn't prepared to return the phone until he had received £2,000 compensation from Virgin.

On 20 August 2023 Virgin confirmed to our service that it was prepared to pay Mr L £150 compensation.

Mr L's complaint was considered by one of our investigators who came to the view that Virgin's offer to accept the return of the phone, to unwind the agreement, to remove any adverse information recorded with credit reference agencies and to pay Mr L £150 was, in all the circumstances, fair and reasonable.

Virgin agreed with the investigator's view.

Mr L said he accepted Virgin's offer to unwind the agreement, to remove any adverse information recorded with credit reference agencies and to pay him £150, but not the return of the phone because he had disposed of it and it wasn't now available for return.

On receipt of Mr L's response to his view the investigator advised both parties that he was now of the view that Virgin need only pay Mr L £150, nothing more.

Virgin agreed with the investigator's revised view but Mr L didn't respond to it. And because of the latter Mr L's complaint has been passed to me for review and 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 can confirm that I've come to the same ultimate outcome as the investigator and for the same reasons. There is also very little I can usefully add to what has already been said.

I'm very aware that I've summarised this complaint above in far less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

I would also add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

Having reviewed everything the parties have said and submitted, I can confirm that I'm satisfied that Mr L sent a number of letters to Virgin (about being pursued for the sum of £1,152 and about his complaint in respect of the same) that went unanswered. And for this, I think Virgin should have to pay Mr L compensation. But like the investigator, I'm satisfied that £150 represents an appropriate sum for Virgin to have to pay in this respect.

I will now turn to the crux of Mr L's complaint, that being about Virgin and its agent's pursuance of the sum of £1,152.

Mr L confirmed to our service that he hadn't returned the phone (as Virgin seemed to initially understand was what Mr L was saying) and was still in possession of it. However, he then went on to confirm to our service he wasn't in possession of it and had disposed of it.

I find it difficult to understand why Mr L, on 2 August 2023, advised our service that "*The phone...still remains in its box*" if it had been disposed of before this date, or why Mr L would have elected to dispose of the phone after this date given how his complaint, with our service, was progressing.

But regardless of when the phone was disposed of by Mr L, or how, I'm satisfied that this wasn't a reasonable thing for him to do, and that's regardless of how long Mr L waited before doing so. And with the phone no longer being available for return, I'm further satisfied that Virgin (or its agent) can fairly and reasonably pursue Mr L for the sum of £1,152 (plus any correctly applied charges, fees and interest) and it need not unwind the agreement and it need not remove any adverse information recorded with credit reference agencies.

My final decision

My final decision is that Virgin Media Mobile Finance Limited must pay Mr L £150, but it need do nothing further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 November 2023.

Peter Cook

Ombudsman