

The complaint

Mr H complains that Sky UK Limited are pursuing him for a debt related to a credit agreement on an iPad, which he has returned.

What happened

Mr H ordered an iPad from Sky on 4th September 2021 and entered into a Consumer Credit agreement to make monthly instalments to pay for it.

Within the 14-day cooling off period Mr H decided he didn't want the iPad and contacted Sky to cancel the agreement. However, he was told that it was too late to stop the delivery, but he could return the package and the agreement would then be cancelled.

Mr H telephoned Sky to advise that due to COVID and the need to isolate he wouldn't be able to return the parcel through the Post Office and asked if it could be collected. Sky arranged for a courier to pick up the iPad on 17th September 2021. The parcel was collected, and Mr H received a receipt to confirm this.

However, when the parcel was received at the Sky warehouse it was found to only contain a pair of headphones. After a search of the warehouse the iPad wasn't found, and so Sky concluded that Mr H hadn't returned it. They didn't cancel the credit agreement and continued to bill Mr H for the monthly instalments.

Mr H made a complaint to Sky, but it was rejected. Mr H decided to withhold payment until the issue was resolved. He brought the complaint to this service.

Our investigator reviewed the complaint brought by Mr H and felt that Sky had acted unfairly. Sky disagreed and asked for a final decision from an ombudsman.

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.

There isn't any evidence to show with absolute certainty what has happened to the missing iPad. So, I must decide what's most likely to have happened.

There's no question that Mr H received and returned a package. It's also not in doubt that when Sky received the returned package, it only contained a pair of headphones. However, there are a number of possible scenarios:

- The original box didn't contain an iPad, only a pair of headphones.
- The iPad was removed from the package after it had left Mr H's home.
- Mr H removed the iPad and sent back a pair of headphones instead.

When considering which scenario is most likely to be the true one, I have taken into account that Mr H had already advised Sky before the delivery of the parcel that he didn't want the

iPad and wished to cancel the delivery. He would have been unlikely to do this if it was his intention to keep the iPad and send back an empty box.

Sky have mentioned several times that the iPad has never been switched on and has now been blacklisted so it can never be used. If Mr H had removed the iPad from the parcel and kept it, it's likely that he would at least have switched it on. So, this doesn't support the argument that Mr H stole the iPad.

Sky have argued that there is no evidence that Mr H didn't open the package, as he has claimed. I would argue that there is no evidence that he did. Sky have given an ambiguous account of whether the device packaging was open when it was received in the warehouse, but even if it was I don't see that this proves it had been opened by Mr H. It could have been tampered with by someone between Mr H's home and the warehouse.

There is also no record of the weight of the parcel either before delivery or after the return, to determine whether it ever actually contained an iPad, or whether it only ever contained the headphones.

Sky have also not explained the headphones being in the parcel. It is not clear whether they were supposed to be sent with the iPad or not. This anomaly leads me to conclude that there may have been an issue with the fulfilment of the order, rather than that Mr H purposely sent a pair of headphones back to Sky instead of an iPad.

On balance, it's more likely that Mr H returned the parcel, believing that it contained an iPad. I accept that when the parcel was checked at the warehouse, it didn't contain an iPad, but this was most likely for reasons outside Mr H's control.

Putting things right

For those reasons, I'm satisfied that, on balance, it's more likely Mr H returned the package from Sky exactly as he received it. It seems unlikely that he would attempt to steal an item which he would have known would be of absolutely no use to him.

So, I'm going to require Sky to cancel the credit agreement. I don't believe Mr H made any payments under the agreement, but if he did, those must be returned to him.

Sky will also need to ensure that Mr H suffers no detriment at all as a result of this incident. If they have shared information relating to this with anyone else – including any information provided to credit reference agencies – they must ensure that it is withdrawn.

And they will need to amend their own records so that there's no suggestion that Mr H owes – or owed – them any money in payment for the iPad.

My final decision

For the reasons set out above, I uphold Mr H's complaint.

Sky UK Limited must remove any charges related to the iPad from Mr H's account, and any negative data from his credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 March 2022.

Neil Marshall
Ombudsman