

## **The complaint**

Mr R complains about three fixed sum loan agreements with Virgin Media Mobile Finance Limited ('Virgin'), which he says he didn't authorise.

## **What happened**

In January 2020 Virgin discovered that a third party had successfully applied for three fixed sum loan agreements, using Mr R's personal details. Mr R discovered what had happened when he saw several direct debit payments to Virgin on his current account statement.

To try and sort the matter out, Virgin took steps to close the loan agreements and work with Mr R's bankers, to refund the direct debit payments. However, Virgin say that they mistakenly left one of the loans open. This caused various arrears letters to be sent to Mr R. He says this prompted him to complain and when he did, he didn't feel Virgin were taking any action to resolve things.

Mr R says Virgin didn't respond to his concerns, so he brought his complaint to us. One of our investigators looked into Mr R's case and found that Virgin hadn't treated him fairly. He said Virgin had closed the outstanding agreement and amended Mr R's credit file in April 2021. The investigator also concluded it was fair for Virgin to write a letter of apology to Mr R and to pay him £200 for the distress and inconvenience he had experienced.

Virgin accepted the investigator's findings, but Mr R didn't. He said £200 didn't reflect the repeated harassment for payment by Virgin, for over a year. Mr R also said he wanted Virgin to make a donation to a charity of his choice and for the letter of apology to come from Virgin's Chief Executive Officer.

The investigator didn't change his conclusions, so Mr R's case has now been referred to me to make a 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.

Virgin have accepted that Mr R was the victim of a third party's actions to obtain credit to pay for goods, without Mr R's authorisation. I understand that Mr R wants to know how this happened to him. But, Virgin haven't held Mr R responsible for the repayments. So, it's not necessary for me to look into how the fraud happened in the first place.

My investigation has focussed on the steps taken by Virgin to put things right and if they've treated Mr R fairly and reasonably.

### *The closing of the loan agreements*

Virgin's records show they closed the fixed sum loans within a few weeks of Mr R reporting his concerns to them. I can see that Virgin very quickly agreed that a third party had taken out the three loans without Mr R's authorisation and took steps to close the accounts.

Mr R has provided copies of the letters of arrears which Virgin sent to him from September 2020 onwards. And Virgin confirmed to us that one of the loans remained open until April 2021. So, I think it took around fifteen months for Virgin to recognise that they hadn't closed all of the fixed sum loan accounts, and for them to take steps to put things right for Mr R.

Having considered everything, I think Virgin made an error by keeping one of the fixed sum loan accounts open. Therefore, I think it's only fair that Virgin make sure all the loan accounts opened by the third party using Mr R's details, in December 2019 and January 2020 are now closed. This means Mr R won't receive further letters of arrears or demands for repayment for the fixed sum loan agreements.

Because Virgin have accepted Mr R didn't authorise the opening of the fixed sum loans, I think it's fair for the information held with credit references agencies to reflect that. So, I think Virgin should contact the credit reference agencies and remove any information about the loans from any records they have for Mr R.

Virgin have told us they've already put this part of the settlement into place. This means they may have taken the necessary action here. But, I remind Virgin of Mr R's experiences with his concerns since January 2020 and that it would be beneficial to make sure this is the end of the matter for him.

#### *The distress and inconvenience experienced by Mr R*

Throughout his complaint, Mr R has described the frustration he feels towards Virgin for the length of time they took to cancel the agreements and correct his credit file. And I've considered the impact of the delay caused by Virgin on Mr R.

I note though, that it was the third party who caused the initial difficulties Mr R experienced. I've concluded that Virgin needed to do more to put things right for Mr R. But, I've separated that from the considerable upset caused by the third party's actions, when they took out the fixed sum loans in Mr R's name without his authorisation.

Mr R's records show he wrote to Virgin when he noticed the direct debit payments leaving his current account. I can also see that Mr R continued to try and sort his concerns out with Virgin, when he started to receive letters asking him to repay the arrears on the outstanding loan account.

In his complaint notes, I can see that Mr R made it clear to Virgin that he was worried about the impact of the loan accounts on his credit file. This continued from when Mr R contacted us in September 2020, to when Virgin confirmed the closure of the loan in April 2021. Having looked at everything, I think it took Virgin over a year for Virgin to take the appropriate steps to close all the loans and remove the data from Mr R's credit file.

I've thought very carefully about what Mr R says here. He's told us about the impact of the delay by Virgin on his personal circumstances. I accept Mr R has been put to some degree of worry by Virgin. But, given what Mr R has told us, I don't think that the level of worry Mr R has experienced means it's fair for me to require Virgin to change the amount proposed by the investigator.

I know Mr R wanted an increase on Virgin's award and a separate donation to be made by Virgin to charity. However, after considering what everyone has said, I think Virgin's offer to pay Mr R £200 for the distress and inconvenience he experienced is fair and reasonable.

#### *The letter of apology*

Virgin has offered to write to Mr R with a letter of apology. But, Mr R has asked for the letter to be written by the Chief Executive Officer. Mr R has also said he'd like stronger action taken against Virgin, so they may avoid similar things from happening to other customers.

I can see from Mr R's correspondence with us that he feels very strongly about what's happened. And while I empathise with the situation Mr R found himself in, our role is to consider individual complaints. And here, I think Virgin's offer to send Mr R an apology, along with the other steps they've taken, is fair and reasonable.

### **Putting things right**

To put things right, Virgin Media Mobile Finance Limited should:

- close all three fixed sum loan agreements opened using Mr R's personal details from December 2019 to January 2020;
- remove any information about the three fixed sum loan agreements from the information held with credit reference agencies;
- send Mr R a written apology for the way he was pursued for balances owed under any of the agreements; and
- pay Mr R £200 for the distress and inconvenience caused.

### **My final decision**

For these reasons, my final decision is that I uphold this complaint and Virgin Media Mobile Finance Limited should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 July 2022.

Sam Wedderburn  
**Ombudsman**