

## **The complaint**

Mr G complains that Telefonica UK Limited, trading as O2, were wrong to report a default on his account when the account had already been settled and closed with a zero balance.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my reasons for my 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 know it will disappoint Mr G, but I agree with our investigator's opinion.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

O2 accept that a mistake has been made here. They have explained that a system error meant that Mr G's account was wrongly reported to one credit agency as being in default. That happened in November 2021 several years after the account had been settled and closed with a zero balance. A notice of default wasn't sent to Mr G as this was a reporting error and the account hadn't actually defaulted.

O2 have now offered £150 to Mr G to compensate him for the distress and inconvenience he's been caused.

I can understand Mr G's frustration here as it would have been upsetting to realise O2 had damaged his credit file through no fault of his own. I've read that Mr G was looking to finance a car deal and had he not been informed through an app of the default being reported I think it is likely his car credit application would have been in some difficulty. Fortunately, Mr G was able to delay his application. Mr G was also concerned about correspondence sent by O2 to him after the complaint was made and the default was removed, and I think that could have led him to believe the default may be added again and would have added to his distress. I can understand that Mr G would have wanted his complaint to be prioritised and resolved quickly and I can see he had to contact O2 regularly because promised call backs weren't made.

On the other hand, I don't think there's evidence Mr G was financially disadvantaged to any significant degree as he identified the issue early. O2 were reasonably quick to accept

responsibility and they did resolve matters in about a month which I think was a reasonable timescale as they needed to investigate the matter.

### **Putting things right**

Taking all of the issues into account I agree with the investigator that O2's offer of compensation is a fair one and I'm not therefore asking them to take any further action other than to pay it to Mr G.

### **My final decision**

For the reasons I've given above I uphold this complaint and tell O2 to pay Mr G £150 to compensate him for the distress and inconvenience he's experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 December 2022.

Phillip McMahon  
**Ombudsman**