

The complaint

Mrs C has complained that Tesco Mobile Limited continues to ask her to settle a credit agreement she didn't take out.

What happened

In September 2022 Mrs C realised she'd been the victim of familial economic abuse. A number of purchases had been made with her debit card and agreements taken out in her name which she'd not known about.

One of these was a credit agreement with Tesco Mobile for a mobile phone. Mrs C's account had been debited with £22.99 for this device for nine months before she knew what was going on and contacted Tesco. Tesco believed this was a civil dispute and wouldn't cancel the agreement. They continued to pursue the debt.

Mrs C was unhappy about what had happened and brought her complaint to the ombudsman service. In support of her complaint, she provided details about her report to local police. She'd told them about the people who'd committed this crime along with other supporting evidence.

Our investigator felt that Tesco had no reason at the time the agreement was taken out to believe this was a fraudulent account. All correspondence was to Mrs C's address and electronic copies were provided to her email address.

Mrs C's complaint has been managed by her representative who has confirmed that Mrs C's bank has accepted a considerable number of transactions were carried out without her authority. Mrs C has been refunded. This includes payments Mrs C made to Tesco Mobile.

I completed a provisional decision on 10 August 2023. I asked Tesco to cancel the credit agreement and stop asking Mrs C to pay anything towards the account.

Tesco Mobile responded and said they didn't believe there was any evidence that Mrs C didn't know about this agreement or nothing to say she didn't give permission for the agreement to be taken out.

I now have all I need to complete my 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.

Having done so, I've reached the same outcome as I did in my provisional decision. What follows explains my thinking and takes into account Tesco Mobile's response.

I can see that a credit agreement was taken out in Mrs C's name in January 2022. This was taken out by phone. Unfortunately Tesco Mobile didn't retain a copy of the call beyond the six months they're required to do so. The phone was delivered to Mrs C's home address. At

the time members of Mrs C's family were in and out of her property. A copy of the agreement was supplied to Mrs C by email.

Tesco has been able to confirm the phone name was set up in the name of Mrs C's grandson.

They wondered why it had taken so long for Mrs C to notice there was anything wrong. I believe this speaks to a misunderstanding of how financial abuse can impact a victim.

Familial abuse is often difficult to prove and obviously the issues behind this can be complicated and distressing. There is no debate that members of Mrs C's family would have had adequate opportunity to misuse Mrs C's finances and take out agreements in her name.

I've also considered the possibility that what actually happened is a family dispute. Where consent may have been originally provided but then subsequently disputed after something happened within the family. That is certainly possible, but I don't think that's what happened here.

I note that local police decided not to proceed with taking any action against members of Mrs C's family after interview. From what I've seen, the police correspondence seems to suggest they were unsure of being able to obtain conviction since both sides told different stories.

I've also been able to consider evidence from social media supplied by Mrs C's representative. This appears to suggest a deliberate campaign to take money from Mrs C by family members. I've also reviewed other evidence provided by Mrs C's representative which confirms Mrs C's poor health and the impact of such distressing events.

I can see there were plenty of opportunities for Mrs C's debit card to be photographed and subsequently used to purchase a range of items – games, takeaway food, TV subscriptions, online purchases. I can also see a number of credit agreements were taken out in Mrs C's name, including for a number of different mobile phones. Again this would suggest a level of fraudulent activity unless I were to think that Mrs C was involved. I've received no evidence to suggest why this would be the case.

Most recently Mrs C's bank has confirmed they will be refunding her for the disputed transactions they agree she didn't authorise. This includes the credit agreement with Tesco Mobile.

I already believe there's limited evidence to show Mrs C consented to taking out the credit agreement with Tesco Mobile. On that basis they will need to stop asking Mrs C to settle their debt.

Tesco Mobile states there's limited evidence to show Mrs C didn't consent to this agreement. I'm surprised they've taken this stance. My role is to make decisions sometimes based on the limited evidence that is available and take into account the full circumstances, come to an outcome based on what I believe the evidence points to. I'm satisfied I've done this here.

Specifically there is evidence:

- of additional agreements taken out in Mrs C's name;
- of fraudulent transactions on Mrs C's account which her bank has refunded;
- to show Mrs C went to the police to report what had happened.

Overall I'm satisfied Mrs C didn't agree to taking out this agreement.

Putting things right

For approaching the last year Tesco Mobile has continued to pursue Mrs C for this debt despite her complaint being reviewed by our service. I appreciate their view that this was a civil dispute, however I didn't see Tesco Mobile take any steps to understand the emotional distress being caused by their action. I believe in the time that has passed, a default will have been added to Mrs C's credit record. This will need to be removed, along with any record of the agreement taken out in her name.

I am concerned about the impact this has had on Mrs C and I believe Tesco Mobile could have taken steps to alleviate this. Overall I believe their actions added to Mrs C's distress and I'm going to be asking them to pay Mrs C £200 in compensation.

As Mrs C's bank has refunded her for disputed transactions, I won't be asking Tesco Mobile to refund payments made from Mrs C's account.

I have no power to ask Tesco Mobile to take any action on the related airtime contract as that isn't a regulated credit agreement so doesn't fall under our service's remit. I'm sure, however, in light of what I've said they will take appropriate action to cancel that contract.

My final decision

For the reasons given, my final decision is to instruct Tesco Mobile Limited to:

- Cancel the credit agreement in Mrs C's name for a mobile phone;
- Stop pursuing Mrs C for any debt related to this agreement;
- Remove this credit agreement from Mrs C's credit record; and
- Pay Mrs C £200 for the distress caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 9 October 2023.

Sandra Quinn
Ombudsman