

The complaint

Mrs N says Sky UK Limited unfairly recorded missed payments in relation to a mobile device-related credit agreement she'd entered into. She says this adversely affected her credit file and caused her worry and stress.

What happened

Sky reported missed direct debit (DD) payments against Mrs N from May to July 2023. The DD instruction was cancelled, after which Mrs N tried to make payment online.

Sky believed the payments were made to an account of Mrs N's that was no longer active and so the arrears on the correct account weren't paid.

Unhappy with Sky's actions, Mrs N complained to it and ultimately to this service. Our investigator looked into the complaint but didn't believe Sky had done anything wrong in the circumstances.

Because Mrs N didn't agree with the outcome reached by the investigator, the complaint was passed to me to review afresh.

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 don't uphold this complaint. I'll explain why.

Fundamentally, Mrs N entered into an agreement with Sky, a copy of the terms and conditions of which I've reviewed. This meant her paying an agreed amount on an agreed date each month and for the agreed term. This was all set out in the credit agreement provided to Mrs N. The terms of the agreement weren't complied with in that payments were missed.

I realise that Mrs N feels strongly that she wasn't to blame for these missed payments and that Sky was at fault. Sky disagrees and so I've carefully reviewed the available evidence to determine, on balance, what I consider is more likely than not to have happened.

From what I've seen, Sky's records from May 2023 show Mrs N's bank reported the payment instruction had been 'cancelled by payer'. Two days later, Sky wrote to Mrs N confirming the amount outstanding and that failure to pay may result in further action being taken that might impact on her credit rating. A further letter along the same lines was sent around three weeks later.

Sky sent Mrs N two notice of sums in arrears (NOSIA) letters in June 2023 confirming the credit agreement number and amount owed. I'm satisfied all these letters were correctly addressed to Mrs N.

By July, Mrs N had tried to make payment online on two occasions but encountered problems in doing so. The payment had been added to a cancelled account rather than to her active one. When Sky was made aware, it offered to either move the payments to the account in arrears or issue Mrs N with a cheque. I realise this was frustrating for Mrs N but I can't fairly say Sky caused these payments to be made to the wrong account despite what she alleges. And I think it acted relatively promptly in returning the money to Mrs N.

Overall, I can't see that Sky was to blame for the DD payments not being collected. I take Mrs N's point that she believes Sky didn't set up the DD instruction in time but I haven't seen any evidence to support that. On the contrary, its records from the time suggest the instruction was set up but was then cancelled – although not by Sky. Unfortunately I can't say for sure why it was cancelled. But I'm persuaded by Sky's comments that it wouldn't cancel a customer's DD unless instructed to do so by the payer.

Given that I don't believe Sky was at fault for the relevant payments not being made, I consider it was entitled to report this to the credit reference agencies as it did. That being the case, and while I recognise this will come as a disappointment to Mrs N, I don't believe Sky's treated her unfairly.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 8 March 2024.

Nimish Patel
Ombudsman