

## **The complaint**

Miss B has complained Telefonica UK Limited, trading as O2, opened three fraudulent accounts in her name and delayed removing adverse information from her credit file.

## **What happened**

Although Miss B had moved from the family home, copies of letters from O2 requesting payment for different accounts were forwarded to her. Miss B was eventually able to contact O2 but was given incorrect information about how long it would take to sort this out.

In April 2023 O2 closed the accounts and planned to remove any adverse data from Miss B's credit record. This information wasn't removed until 2 August 2023 causing Miss B much concern and worry.

O2 offered Miss B £75 for the problems caused but she remained upset by what had happened. She brought her complaint to the ombudsman service.

Our investigator reviewed Miss B's credit record and what had happened. She believed the impact on Miss B was serious enough for O2 to pay her £300 in compensation.

Miss B accepted this outcome. O2 believed that £150 was right and wouldn't agree to paying more.

Miss B's complaint has been referred to 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

O2 accept that three accounts (two with consumer credit agreements) were opened fraudulently in Miss B's name. They can't explain how this happened other than at the time they believe there was nothing wrong with the applications.

I appreciate the anxiety this caused Miss B. She'd not long bought her own property which I'm sure was a massive financial investment and would mean additional costs for her.

She was therefore concerned at the time it took O2 to confirm the accounts were closed when she was initially told this would only take 5 days. O2 has told us the actual timescale was within their normal processes and I appreciate that point but the information they initially gave Miss B did mislead her about this.

I can see O2 in their email on 4 July 2023 confirmed they'd be updating Miss B's credit record to ensure that she was not associated with any of the fraudulent accounts. Despite being told this could take up to 30-90 days from 5 April 2023, I think it's most likely that O2 didn't take that immediate action as Miss B's credit record wasn't cleared of these adverse

markers until 2 August 2023.

This came at a very unfortunate time for Miss B as I've explained above, and I can see why she remained anxious throughout this period particularly as she struggled to find car insurance and her credit company drastically reduced her credit limit from £3,500 to £700.

### **Putting things right**

Having decided that O2 made an error in delaying changes to Miss B's credit record and that this had a serious impact on her, I am asking them to pay her a total of £300. I believe this amount is in line with what is fair and reasonable taking into account the impact on Miss B.

### **My final decision**

For the reasons given, my final decision is to instruct Telefonica UK Limited, trading as O2, to pay Miss B a total of £300 for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 29 February 2024.

Sandra Quinn  
**Ombudsman**