

## **The complaint**

Mr L complains that direct debit payments were taken from the wrong account following an upgrade of a mobile phone supplied by Vodafone Limited.

## **What happened**

In September 2022 Mr L and his daughter (Miss L) contacted Vodafone to upgrade a mobile phone.

Mr L was the account holder. Because the phone was upgraded, a loan agreement was taken out. Mr L was told at the point of sale that the direct debit for the agreement could be set up on Miss L's bank account as she was the user of the phone.

In April 2023 Mr L discovered that Vodafone had been taking payments from his bank account instead of Miss L's. He raised this with Vodafone, who advised him that the loan agreement direct debit could only be taken from the account holders bank account and that this couldn't be changed.

Mr L complained to Vodafone. It didn't uphold the complaint and said it couldn't move the loan agreement into another person's name.

Miss L contacted Vodafone and said she didn't want the loan agreement changed into her name, just the direct debit instruction. The agent advised Miss L that this would be done. Vodafone later contacted Miss L and said it had given her incorrect information and that the direct debit instruction couldn't be changed because it had to be in the account holders name. Vodafone issued a final response in which it apologised for the incorrect advice.

Mr L remained unhappy and brought his complaint to this service.

Our investigator upheld the complaint. He said he'd found no terms in the agreement which would stop Vodafone taking payments from a third party. He said that Vodafone should change the direct debit instruction so that payments were collected from Miss L and pay further compensation of £100 for the upset caused.

Vodafone accepted the investigator's view. It said it would change the direct debit instruction so that payments were collected from Miss L.

Mr L didn't agree. He said he didn't want the direct debit instruction changed now because he had no confidence that it would be done correctly. Mr L said he didn't think compensation of £150 was enough given the time and stress caused by the issue.

I issued a provisional decision in which I upheld the complaint. I said I agreed with the investigator that there was no reason why Vodafone couldn't change the direct debit details to Miss L's account.

I said I appreciated that Mr L had now said that he didn't want the direct debit changed into Miss L's name, so I didn't ask Vodafone to change the direct debit.

In relation to compensation, I said I didn't think the compensation offered wasn't sufficient to reflect the impact on Mr L and I said that Vodafone should pay total compensation of £250.

I invited both parties to let me have any further evidence or arguments they wished to raise.

Mr L replied and said he accepted my provisional decision. He said he would like the compensation paid to his bank account (as opposed to being credited to his Vodafone account).

Vodafone didn't respond to my provisional 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.

Mr L has accepted my provisional decision and Vodafone hasn't replied. In the circumstances I see no reason to reach a different decision to that which I set out in my provisional decision.

Mr L has asked for the compensation payment to be paid into his bank account. I can't include his bank details in this decision so Mr L will need to pass these on to Vodafone. My understanding is that some compensation has already been credited to Mr L's Vodafone account so it won't be possible to claw this back and pay it into his bank account, however, any compensation not yet paid should be paid into Mr L's bank account.

### **Putting things right**

My final decision is that I uphold the complaint. Vodafone Limited must pay total compensation of £250 to Mr L.

### **My final decision**

Your text here

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

Emma Davy  
**Ombudsman**