

## **The complaint**

Miss A complains that Sky UK Limited (“Sky”) holds her responsible for a fixed sum loan agreement which she says she didn’t give authority for.

## **What happened**

As I understand it, Miss A had an account with Sky by way of which she administered telecommunication products. Miss A accepts that she allowed her son to access the account to pay for broadband and television products. Miss A says that when she called Sky to discuss her television package sometime later, she became aware of a fixed sum loan provided in her name for the purpose of acquiring a mobile telephone.

In September 2021 Miss A told Sky that she hadn’t given authority for the fixed sum loan, and that her son had entered into the agreement without her permission. Miss A made a payment to Sky to cover arrears and set up a Direct Debit for the remainder of the payments. Sky blocked the device meaning it could no longer be used, and it helped Miss A reset her passwords to access her account. However, it told Miss A to report the matter to the police and said that she was responsible for the lending it had provided.

Miss A pursued a complaint with Sky. In April 2022 Sky issued its final response. It said that it had considered the matter to be about domestic fraud and said it wouldn’t take any further action in relation to the lending unless Miss A obtained a crime reference number.

Miss A referred a complaint to this service. She said that around the time of the events which led to this complaint she’d applied for a mortgage which she believes was turned down due information Sky had recorded on her credit file. She said that Sky ought to remove adverse information.

In its submission to this service, Sky said it thought that Miss A or someone acting as her agent was responsible for making the application for lending. It held Miss A responsible.

Our investigator didn’t uphold the complaint. They thought Miss A had given authority for her son to use her account with Sky. They accepted that Miss A disputed having given authority for her son to have taken a loan in her name, but found that Miss A ought reasonably to have known that was the case as she had provided this service with a loan statement addressed correctly to her. Ultimately, they weren’t persuaded that the loan had been given without Miss A’s authority.

Miss A disagreed. She accepted that she had given her son authority to add products to her account, specifically broadband and television products, and under that arrangement her son would pay for the products. She said that her son had changed her contact details on her Sky account so she hadn’t seen any of the statements or communication attempts by Sky until such point she was able to change the details back with Sky’s help.

The case was passed to me to decide what should happen. I issued a provisional decision on it. In summary, I said;

*The agreement Miss A complains about is a fixed sum loan. That's a regulated agreement and one which this service has the power to consider a complaint about. And I'm satisfied that Miss A is an eligible complainant under our rules.*

*In considering what I believe to be fair and reasonable in all the circumstances, I'm required to take into account relevant law, rules, guidance, codes of practice as well as what I consider to have been good industry practice at the time.*

*When the evidence is incomplete, inconclusive or contradictory – and I think it is in this case – I make my decision on the balance of probabilities. That is, what I think is most likely to have happened given the available evidence and the wider circumstances.*

*From what Miss A has said, I think that she accepts that she gave her son a level of authority to administer various telecommunication products with Sky. She disputes, however, that the authority she gave extended to allowing her son to enter into a fixed sum loan in her name.*

*By and large, Miss A's and Sky's account of the events which led to this complaint are consistent with one another. Both agree that a fixed sum loan was provided in Miss A's name to finance the cost of a mobile phone in March 2020. Both also seem to agree that in September 2021 Miss A told Sky that her son had entered into the agreement without her authority.*

*Miss A asserts that she wasn't aware of the agreement until that point. In her initial telephone call with our investigator, Miss A recounted a conversation with Sky in August 2021 where she says it called her to discuss her broadband package. She says that during the call her son tried to take control of the telephone to stop her making changes to her products, and it was at that point she found out a fixed sum loan had been provided in her name.*

*Sky has provided records of what is undoubtedly the same conversation. There are some differences though – Sky's records show that Miss A called it to make changes to her television package. Those notes reflect that Miss A's son took control of the telephone, seemingly displeased at Miss A's decision to remove a component. Significantly, the date of Sky's note is August 2020, a year earlier than Miss A's account. The note details that the reason for Miss A's contact was specifically to reduce her television package costs because her son had been using a mobile phone associated with the account and had run up a debt.*

*That's problematic because it strongly suggests that Miss A was aware of the agreement more than a year before she told Sky that she hadn't given authority for it. Additionally, the note Sky has provided suggests that it was the reason for the call made in August 2020, rather than the point Miss A found out about the fixed sum loan. I think it suggests that August 2020 perhaps wasn't the earliest that Miss A knew about the agreement.*

*I accept it's possible that Miss A didn't enter into a fixed sum loan herself. I also accept that it seems likely Miss A wasn't administering her account or associated products – particularly due to evidence we've been presented about correspondence details being changed and Miss A asking Sky how to change passwords and access her account in September 2021. Additionally, and with specific reference to the fixed sum loan in question, I can see that manual payments were made towards the agreement until the point at which Miss A says she set up a Direct Debit in September 2021.*

*The alternative explanation that I must consider, however, is whether Miss A gave someone else authority – actual or apparent – to enter into the agreement on her behalf. I think that's likely the case here, and I'll explain why.*

*It's fair to say that we've been provided evidence which shows Miss A was aware that her son had procured a mobile device using her account and had missed payments by August 2020 at the latest. So, I think it's unusual that Miss A waited until around a year later to tell Sky that she hadn't given authority for that agreement.*

*I can't say for sure, but I think the evidence I've been presented points towards Miss A having had some kind of arrangement with her son – perhaps similar to the arrangement she accepts she had whereby he could administer telecommunication products as well as pay for those. I think that's supported by the evidence which shows Miss A was aware of the agreement in August 2020 but didn't tell Sky about any issues she had with it until a year later. On balance, I think it suggests that Miss A had likely given her son authority to enter into that agreement.*

*Given I think, on balance, that Miss A gave authority for someone else to enter into the agreement with Sky on her behalf, I don't think it treated her unfairly by holding her responsible for the agreement. I also don't think it'd be reasonable to require it to remove the associated entry, nor adverse information, that it recorded on Miss A's credit file.*

Miss A disagreed that the background I'd set out was a true picture of the events which had led to the complaint. She said, in summary;

- In September or October 2019 she gave authority for her son to access her Sky account to manage television products. That authority was confirmed in a telephone conversation with Sky. She did so because she didn't want the responsibility of paying the associated bill and couldn't afford to do so herself.
- She had no knowledge that her son had used her details to enter into a fixed sum loan in March 2020. Rather, she became aware when Sky called to discuss a missed payment regarding her television package. During that conversation Sky told Miss A about an associated payment for a mobile phone. Miss A says that she was told the mobile phone had been procured in by her son and that this conversation happened around five or six months after she had given permission for her son to access the account.

The case has been passed back to me to decide what should happen.

### **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 not reached the same conclusion set out in my provisional decision. I'll explain why.

In response to my provisional decision Miss A added that I ought to ask Sky for copies of the telephone recordings that she's referenced. However, Sky's told us that the relevant recordings are no longer available. I can assure Miss A that this service has asked Sky for clarity on the records it holds of the conversations she had with it on a number of occasions. I'm also satisfied that both parties have been given fair opportunity to present evidence.

From what Miss A had said prior to issuing my provisional decision, it seemed to me that Miss A had suggested that she was unaware of the loan in her name until the point at which she raised the issue with Sky and took steps to take control of the repayments and her account in September 2021. From what she's now said, it seems that she accepts that she was aware of the loan in her name in early 2020. That's more consistent with Sky's records

which show Miss A had discussed the matter with it, albeit a number of months later, in August 2020. Nonetheless, the first record I've seen of Miss A raising the issue with Sky was in September 2021.

The agreement was entered into in March 2020. Miss A says she was aware of it five or six months after September or October 2019. So, by Miss A's own account, she was aware of the agreement very soon after it had been entered into. I still therefore find it necessary to question why, if Miss A hadn't agreed to the loan, evidence shows that she didn't take the matter up with Sky until well in excess of a year later. In the absence of an alternative explanation, it seems to me that the most likely reason for this is because Miss A had agreed to the loan.

Given all of the above, I'm persuaded that Miss A had given authority for the lending in question. It follows that I find Sky has acted fairly in holding her responsible for it. Sky was entitled to record accurate information with credit reference agencies regarding the payment history of the loan, so I don't think it'd be fair to ask it to remove any late payment markers or other adverse information it had recorded where payments had been missed.

### **My final decision**

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 19 April 2024.

Stephen Trapp  
**Ombudsman**