

## **The complaint**

Mr S complains Virgin Media Mobile Finance Limited unfairly allowed a fraudster to use his details to take out a fixed sum loan agreement for a mobile phone.

## **What happened**

Mr S says a fixed sum loan agreement for a mobile phone was taken out using his details, without his permission or consent. The total amount repayable under the agreement was for £747 to be repaid in 36 monthly instalments.

Mr S says he wasn't aware of this until Virgin Media sent him letters, suggesting they'd take him to court if he didn't make payment, which he found to be threatening. Virgin Media's notes say Mr S told them that he made a claim through his bank to retrieve the payments that had been taken from his account.

Mr S called Virgin Media on 4 November 2023, notifying them of this issue. On 18 November 2023, Mr S says Virgin Media sent him a letter acknowledging the account had been taken out fraudulently and they apologised to him for any frustration caused.

Mr S says this issue caused him sleepless nights, frustration and damage to his credit rating. Mr S told us he hasn't checked his credit report, but that Virgin Media have notified him that they removed information about the fixed sum loan agreement from his credit file.

On 9 November 2023, Virgin Media's notes show they accepted the agreement had been taken out fraudulently and that they wrote off the balance – five days after Mr S raised this as an issue with them. Virgin Media wrote to Mr S confirming their findings of their fraud investigation on 18 November 2023. In this, they said because they found the account to be fraudulent, that they decided to write off all outstanding balances under the agreement, they blacklisted the handset to prevent usage and notified a Credit Reference Agency (CRA) to have the account removed from Mr S' credit file. Virgin Media also said a fraud prevention flag had been placed on Mr S' account to prevent any further issues.

Virgin Media later told our Service the loan agreement actually hadn't been ended and unwound until February 2024.

Mr S queried a letter that Virgin Media sent to him on 11 December 2023 about £16 being owed and informing him the mobile device had been blocked. This was sent around a month after Virgin Media's response concluding their fraud investigation. Virgin Media explained this letter went out to Mr S before the fixed sum loan had been closed.

Our Investigator looked into Mr S' concerns. In summary, he said when Virgin Media acknowledged the agreement was taken out fraudulently, they took the necessary steps to unwind the agreement. However, it took around two weeks for Virgin Media to communicate with Mr S about the status of their investigation. Our Investigator said while he couldn't hold Virgin Media responsible for the fraudster's actions, he felt Virgin Media could have written to Mr S sooner than they did on 18 November 2023 about the outcome of their investigation.

So, he recommended Virgin Media pay Mr S £100 compensation for the distress and inconvenience caused.

Virgin Media accepted our Investigator's view. But Mr S didn't. He said while he appreciated our Investigator's time and effort when looking into his complaint, he asked for £1,000 compensation. So, the complaint has been passed to me to decide.

### **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.

Firstly, I can understand the worry and stress caused to Mr S when he found out that an agreement had been fraudulently taken out in his name.

I think the primary cause of the issue here is the fraudster's actions. It sounds like they had sufficient information to make an application for the fixed sum loan. Having looked at the information available, the fraudster knew details such as Mr S' name, address, bank details and date of birth. I do have to bear in mind Virgin Media have been defrauded here as well, by a considerable amount that they agreed to write off. I don't think it would be fair to hold Virgin Media responsible for the stress caused by the fraudster's actions. Ultimately, Virgin Media accepted the agreement was taken out fraudulently. So, what's left for me to decide is whether enough has been done to put things right for Mr S.

Virgin Media didn't unwind the fixed sum loan agreement until February 2024, and I haven't been given a persuasive explanation from Virgin Media for why it took until February 2024 to do this. In any case, it would likely explain why Mr S was sent a further letter about payment being owed in December 2023 if the loan hadn't been unwound until February 2024. Virgin Media's letter of 18 November 2023 told Mr S that they'd written off the loan agreement at that point and I think it was reasonable for Mr S to believe that he was no longer associated with the agreement. So, to find out it hadn't been unwound until February 2024 is disappointing.

Virgin Media provided evidence to show the balance under the agreement was written off, the agreement was unwound in February 2024 and therefore, Mr S' liability has been removed from it. Virgin Media have also told us their internal team would have taken the necessary steps to remove any information about the fixed sum loan agreement from Mr S' credit file. And I haven't seen any evidence to suggest this hasn't been done.

I note Mr S has provided us with a copy of two letters from Virgin Media – one was sent to him on 17 October 2023 chasing him for payment and the other in November 2023 letting him know the direct debit, that had been set up, was no longer active. I've reviewed the letters and I'm sorry to read Mr S felt he was being threatened. I don't think this was Virgin Media's intentions - Virgin Media were unaware the agreement was taken out fraudulently and were simply chasing outstanding payments. I don't think Virgin Media intended to cause Mr S upset in sending him these letters.

Mr S said this issue caused him sleepless nights and frustration. I'm sorry to read of what Mr S has told us. However, as I say, I think the primary worry and concern caused to Mr S was because of the fraudster's actions. Even though I think Virgin Media took reasonable steps to remove Mr S' liability, I think they caused inconvenience by not doing this until February 2024. I also think they caused Mr S distress by sending him a letter asking for payment after they told him they had removed his liability from the loan agreement. So even though I've decided a different reason to why our Investigator asked Virgin Media to pay compensation, I think the amount of £100 is fair compensation for the distress caused to Mr S.

**My final decision**

For reasons explained above, I uphold this complaint and I require Virgin Media Mobile Finance Limited to pay Mr S £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 February 2025.

Leanne McEvoy  
**Ombudsman**