

The complaint

Mr A complains about a decision taken by Vodafone Limited to not allow him to return two mobile phone handsets (“devices”) or, as an alternative, to discount the price paid for them.

What happened

In September 2022 Mr A entered into an agreement for a device costing £1,633. Under the terms of this agreement, everything else being equal, Mr A undertook to make an upfront payment of £49 followed by 36 monthly payments of £44 making a total sum repayable of £1,633 at an APR of 0%.

In October 2022 Mr A entered into an agreement for a phone costing £1,417. Under the terms of this agreement, everything else being equal, Mr A undertook to make an upfront payment of £49 followed by 36 monthly payments of £38 making a total sum repayable of £1,417 at an APR of 0%.

Due to signal problems in the area in which Mr A was residing Vodafone cancelled both airtime agreements Mr A held with it and paid him £100 in compensation. But it refused to compensate him any further including by allowing him to return the devices or by discounting the price paid for them.

Unhappy with Vodafone’s response to his claim for compensation Mr A complained to our service.

Mr A’s complaint was considered by one of our investigators who came to the view that Vodafone was entitled to enforce the terms of both device agreements including seeking payment of the sums due under them.

Mr A didn’t agree so his complaint has been passed to me for review and 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.

Having done so I can confirm that I’ve come to the same overall outcome as the investigator and for broadly the same reasons. There is also very little I can usefully add to what has already been said.

I would also like to make it clear that I'm only considering in this decision Mr A's complaint that Vodafone wouldn't allow him to return the two devices or, as an alternative, to discount the price paid for them. In other words, I'm not considering any other complaint Mr A might have against Vodafone including, but not restricted to, its decision to default both of Mr A's device agreements (and possibly a third device agreement) and to pass the respective debts on to a third party for collection.

I'm very aware that I've summarised this complaint above in far less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

I appreciate that when Mr A entered into each device agreement he was required to enter into a monthly airtime agreement leading him to conclude that both agreements were intrinsically linked and if one failed it would follow the other would fail or should be treated as having failed. But this isn't the case. Mr A's airtime agreements (which I accept he had to take out to be able to enter into his device agreements) are separate, stand alone and fully capable of operating independently of each other.

As pointed out by the investigator both device agreements entered into by Mr A state the following:

"13. Termination of Airtime Plan and early repayment or termination of Device Plan

13.1 If your Airtime Plan comes to an end (including if you or we terminate it), your Device Plan will be unaffected, and you will be required to continue to make the repayments due under this Device Plan"

So with the above in mind, and given that I've no power to consider any complaint Mr A might have about his airtime agreements, I'm satisfied that in the particular circumstances of this case Vodafone hasn't done anything wrong in not allowing Mr A to return the two devices or, as an alternative, to discount the price paid for them.

My final decision

My final decision is I don't uphold this complaint.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 September 2024.

Peter Cook
Ombudsman