

The complaint

Mr W has complained about a fixed-sum loan agreement with Telefonica UK Limited, trading as O2, taken out fraudulently in his name.

What happened

Mr W noticed in September 2023 that a fraudulent credit agreement had been taken out in his name with O2. He complained to them practically immediately.

Despite having involved solicitors, Mr W was concerned he'd not received a response to reflect the seriousness of what had happened. He brought his complaint to the ombudsman service.

O2 not only took time to respond effectively to Mr W but also the credit agreement was defaulted, and this was noted on Mr W's credit record. In their response to our service O2 cancelled the agreement and noted this had been a fraudulent application. They offered Mr W £150 for the inconvenience caused.

Mr W felt this was grossly inadequate and told our service he expected more.

Our investigator reviewed the evidence. O2 accepted their response hadn't been to the standard expected and offered Mr W £200 (an increase of £50) for what had happened. Our investigator felt this offer was fair and reasonable.

Still unhappy, Mr W rejected this. He's asked an ombudsman to consider his complaint. He believes he should be paid £1,500 in compensation.

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 a slightly different outcome to our investigator. I'll explain why.

Firstly, I'm not considering whether there was any fraud – as that's been accepted by all parties. The crux of Mr W's complaint is that it took O2 too long to resolve his fraud claim and this caused him considerable distress and concern.

It's clear that it took O2 longer than it should have. The complaint was not resolved until April 2024, about ten months after the fraudulent agreement was taken out. Mr W had confirmed to O2 this was fraudulent in September 2023. This is an unreasonably long time.

Mr W has told us he felt he was being harassed and concerned unnecessarily about a debt and its implications.

I absolutely agree this has had an impact on him. It's always extremely frustrating being held liable for a debt which isn't yours, and regardless of your ability to understand what's happened will get sorted (as I'm sure Mr W knew would happen), the activities of debt

collection agencies aren't easy to dismiss.

I believe £300 in total is a fair and reasonable outcome to this complaint. I believe this takes into account the time the complaint took to be resolved and the impact this had on Mr W. I also believe Mr W may have been concerned at reputational risk during this period. This is reflected in my outcome.

I've arranged for O2 to be informed of this before they receive this final decision.

I've not informed Mr W in the hope he may wish to resolve this complaint informally. I accept Mr W believes a significantly higher financial amount is right, so I believe he'll still feel this amount is inadequate.

I leave it to him to decide whether he wished to accept this outcome.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 September 2024.

Sandra Quinn
Ombudsman