

## **The complaint**

Ms T has complained Telefonica UK Limited, trading as O2, continued to show an outstanding credit agreement on her credit report despite this having been cancelled. She believes the compensation they offered was inadequate.

## **What happened**

In September 2023 Ms T ordered a new mobile handset and agreed to take out a credit agreement for this to repay the mobile over 36 months. This was never delivered to Ms T. Despite her notifying O2 immediately, she felt belittled by O2 as they didn't appear to believe her.

In October 2023 O2 provided Ms T with a final response. They agreed to cancel the credit agreement and offered her £150 for the difficulties she had had. Ms T felt this wasn't fair and brought her complaint to the ombudsman service.

Our investigator was unable to get copies of phone calls from O2 but saw no reason to disbelieve Ms T. She asked O2 to pay Ms T a total of £350.

O2 agreed to this compensation. Ms T disagreed as she felt that she should be paid a much higher amount. This whole issue had had an impact on her credit record and was happening during a period of extreme illness. She's asked an ombudsman to consider her complaint.

## **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 the same outcome as our investigator. I'll explain why.

There's no dispute the handset was never delivered to Ms T, so I appreciate why she was so upset about being doubted by O2. Ms T is already aware that we're unable to listen to those calls as O2's retention policy means they are unavailable after six months.

I know Ms T believes these calls would show how badly she was treated, and I have taken her testimony into account when considering what compensation is fair.

I also note, however, the credit agreement was closed within two months of this being originally taken out, so I disagree with Ms T that O2's actions have had a longstanding impact on her. In fact, O2 responded to Ms T within seven weeks of her original complaint so – whilst I'm aware of her strength of feelings about what happened – I am not convinced she was treated as badly as she argues. There's no dispute the compensation she has claimed would be highly inappropriate.

## **Putting things right**

O2 originally offered Ms T £150. Our investigator said that amount should be increased to £350. O2 has agreed to pay this and based on what I've seen I believe this amount is fair

and reasonable.

### **My final decision**

For the reasons given, my final decision is to instruct Telefonica UK Limited, trading as O2, to pay Ms T £350 in total for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 10 February 2025.

Sandra Quinn  
**Ombudsman**