

The complaint

Mrs N has complained Telefonica UK Limited, trading as O2, took time to sort out the cancellation of her credit agreement and then delayed refunding her.

What happened

In January 2024 Mrs N decided to renew her credit agreement for a handset with O2. Practically as soon as she'd placed the order, she was able to find a better deal with another mobile provider and cancelled the agreement with O2.

It wasn't until late January that O2 confirmed they owed Mrs N a refund of £40.89. They initially tried to provide her with a cheque then processed a transfer on 22 February.

Mrs N was disappointed in the service she'd received and tried to complain to O2. She wanted a full explanation of what happened but found her complaint was never addressed.

Mrs N brought her complaint to the ombudsman service.

Our investigator laid out what happened to O2 and they initially offered £100 in compensation. They then increased this to £150.

Mrs N felt this was inadequate and wanted a payment of £200 at least. 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 debate that O2 didn't initially cancel Mrs N's revised agreement when asked. But within a fortnight they did do so. They then issued a cheque which was returned to Mrs N. O2 managed to process a refund of the outstanding amount in February 2024.

So I accept – as do O2 – that they didn't provide the service they should have. I'm also conscious that Mrs N feels strongly that her complaint was ignored and never properly dealt with. I understand why she feels as a point of principle she wants a full explanation.

It's often the case that businesses resolve complaints by sorting out what they see as the main issue. In this case O2 provided Mrs N with her refund and I can see why they felt this resolved the matter. Similarly, I know why Mrs N will have felt differently.

I can see from Mrs N's testimony that this all happened when her child was unwell so I appreciate that the stress of that event was paramount and she'd have little bandwidth left to sort out issues with O2. She just wanted them to explain why this happened.

I'm not able to provide her with the closure she wants but I agree that she deserves

compensation for the way O2 treated her – both in not cancelling the credit agreement immediately, delaying repayment and not dealing with her complaint.

O2 has offered to pay Mrs N £150. I think – based on what happened – that this is fair and reasonable. I know Mrs N's strength of feeling about what happened but I believe this brings this issue to a close.

My final decision

For the reasons given, my final decision is to instruct Telefonica UK Limited, trading as O2, to pay Mrs N £150 for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 21 March 2025.

Sandra Quinn
Ombudsman