

The complaint

Mr D has complained Vodafone Limited is holding him liable for a credit agreement he didn't take out.

What happened

In January 2024 Mr D complained to Vodafone that there appeared to be a credit agreement in his name for a mobile handset. He denied having taken this agreement out.

Vodafone confirmed they were continuing to hold him liable as the mobile handset was delivered to Mr D although there was no evidence that the number related to the airtime contract was in use. They believed the direct debit that had been set up (and paid for 18 months) was in Mr D's name.

Mr D brought his complaint to the ombudsman service. He is represented in his complaint by his wife who has confirmed that because of his health Mr D would not have been in a position to make the telephone call Vodafone believes was made in June 2022 to take out the initial credit agreement and contract.

Our investigator reviewed what had happened but felt it was most likely Mr D had taken out the credit agreement for the mobile handset based on the evidence he'd seen. He wasn't going to ask Vodafone to cancel the credit agreement.

Unhappy with this outcome, Mr D has asked an ombudsman to consider his 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 a different outcome to our investigator. I've already confirmed to Vodafone my preliminary findings on this complaint and asked whether they'd agree to cancel the credit agreement and stop asking Mr D to pay the outstanding balance. They wouldn't do so but provided additional data confirming the bank account the direct debit was paid from.

Firstly, I can see a credit agreement was taken out on 8 June 2022 for a mobile handset. This agreement is in Mr D's name. He says he didn't take it out, but Vodafone have Mr D's correct address details, and this is, of course, where the handset was sent. I've also seen correspondence which confirms letters were sent to Mr D's current address confirming the direct debit that had been set up. I wonder why no action was taken at this time to query what was going on.

I've noted the email address Vodafone holds doesn't match Mr D's. I've noted what they say that this evidence alone wouldn't suggest the agreement wasn't taken out by Mr D as many individuals have more than one email address. I don't dispute this as a general point.

Vodafone has been unable to share a copy of the phone conversation setting up the original

agreement because of the time that has passed since then.

I asked Vodafone whether they could provide full details of the bank account that paid the direct debit for 18 months. This account was held by the same financial institution as one of Mr D's current accounts. The name matches Mr D's.

I can see from the credit report that Mr D's wife shared with us that Mr D held another account with that same institution until April 2023. But I'm pretty sure that this isn't the account that was paying the direct debit because Vodafone's records show the same account paying the direct debit for 18 months. That would be July 2022 to December 2023 until the direct debit was cancelled. There is no other account on that credit record with the same institution (apart from mortgage and loan accounts).

In any case Mr D's wife has insisted that she or her husband hold no account with the same details as the one paying the direct debit. Along with the credit record evidence, this does suggest to me that Mr D didn't hold the account that was paying the direct debit.

So, what do I believe is going on here? I'm not convinced – because of Mr D's wife's testimony about Mr D's health – that he would be taking out a phone contract himself. His speech and motor skills have been very much impacted by his poor health.

However, I don't dispute a handset was supplied to Mr D's address and a disputed email address was used to set up this agreement. Mrs D represents her husband in his financial affairs and has no memory of any handset being delivered to their home address.

Mr D wants the credit agreement to be cancelled and to make sure that Vodafone stops pursuing him for a repayment of a debt that he doesn't believe is his. He is not claiming back any payments that have been made as he insists he's made no payments towards this.

In addition, I note Vodafone confirms there's been no usage on the number ending 601. They've offered to remove the outstanding airtime balance totalling £110.59 and to clear the adverse credit file impact reported. Once this is actioned, Mr D should receive no further correspondence relating to this airtime balance once the changes are implemented.

Overall and on balance, I believe Mr D has been the victim of ID fraud. Someone has gone to the effort of setting up a bank account to replicate his and has taken steps to access the Vodafone handset as it was delivered to Mr D's address.

I've already confirmed to Vodafone that this is likely to have been someone Mr D may know. They've confirmed this should be considered a third-party dispute but I disagree as Mr D has referred this issue to the ombudsman service and I am able to make decisions to cancel a credit agreement where I believe, as I do in this case, that a customer has been the victim of fraud.

Vodafone has told us they'd reconsider this complaint if they were provided with a crime reference number. However, their own notes responding to our request for their business file confirm this was provided to them in January 2024.

As I believe Mr D didn't take out this credit agreement, Vodafone will need to cancel the credit agreement. They should also stop any debt collection agency from pursuing Mr D for the debt relating to this agreement, as well as removing any reference to this agreement from Mr D's credit record.

My final decision

For the reasons given, my final decision is to instruct Vodafone Limited to:

- Cancel the credit agreement in Mr D's name for the handset in his name;
- Stop any debt collection agency from pursuing Mr D for repayment of the debt related to this agreement; and
- Remove any reference to this credit agreement from Mr D's credit record.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 March 2025.

Sandra Quinn
Ombudsman