

The complaint

Mr A has complained Telefonica UK Limited, trading as O2, took time to sort out the replacement of his phone which caused him considerable distress. They then wouldn't pay him the compensation he felt he'd been promised.

What happened

In January 2024 Mr A took out a credit agreement for a like-new iPhone. At the end of March, the phone burst into flames and Mr A was lucky to avoid this causing him any harm. He complained and was advised to go into an O2 shop. Unfortunately as the phone had been bought online, they were unable to resolve the issue.

Despite numerous calls over the next couple of weeks, Mr A didn't immediately get his replacement phone. This was eventually supplied but O2 told Mr A they'd only pay him £150 for the trouble caused. During his calls with O2, Mr A believed he'd been promised considerably more and felt this was unreasonable.

Mr A brought his complaint to the ombudsman service.

Our investigator laid out what happened to O2 and they increased the compensation offer to £375. Our investigator felt this was fair and explained this to Mr A.

Mr A felt this was inadequate and wanted a payment of £500 at least. He's 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 the same outcome as our investigator. I'll explain why.

There's no debate that there was an issue with Mr A's as new phone which he'd bought under a credit agreement with O2. This means they were liable for its condition. It's clear they made quite a meal of its replacement. Not only did Mr A have to make an unnecessary visit to an O2 shop, he made phone calls lasting almost four hours overall.

During these calls, Mr A felt he was promised compensation of £1,500. I have to say that I don't think he was. I believe the reference to £1,500 was related to O2's relationship with the phone manufacturer and this didn't mean this money was to be given to Mr A. However, I appreciate why Mr A would be confused.

Mr A has been given a replacement phone. This is an appropriate resolution to this part of the complaint based on O2's obligations under existing consumer legislation.

What remains for me to consider is what is appropriate compensation to be paid to Mr A. I can accept how annoying what happened must have been. He's also concerned at the lucky escape he had that the exploding phone didn't cause any real damage. I can see why that

would be concerning but when we consider complaints, we don't consider potential impacts – regardless of how dire those may have been.

I've looked at the delays, the inconvenience caused to Mr A and the time he had to spend sorting this out. I believe £375 is a fair and reasonable amount.

I know Mr A's strength of feeling about what happened, but I believe this brings this issue to a close.

Mr A has raised other concerns more recently with our service. I'm unable to review any aspect that doesn't relate to the consumer credit agreement (like Mr A's airtime contract). If there are further issues relating to the consumer credit agreement, Mr A needs to raise his concerns with O2 first.

My final decision

For the reasons given, my final decision is to instruct Telefonica UK Limited, trading as O2, to pay Mr A £375 for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 April 2025.

Sandra Quinn
Ombudsman