

The complaint

Mr S complains about the handling of some payments he's made under two fixed sum loan agreements he has with EE Limited.

What happened

In early 2024, Mr S took out two fixed sum loan agreements with EE, to pay for two brand new mobile telephone devices. For ease, I'll refer to each agreement as 'Loan One' and 'Loan Two'.

Mr S says one device was for him and the other was for his wife. The cash price of each device was £1,246.33 and Mr S was required to make monthly repayments of around £34, over a three year term to each loan.

Shortly after taking out the agreements, Mr S made a lump sum payment of £400 to Loan One and £350 to Loan Two. He says he did this to reduce the monthly payment amounts. However, EE says this wasn't something they could offer to Mr S. So, they refunded the lump sum payments Mr S had made, back to his bank account.

An advisor from EE continued to try and find a solution to reduce Mr S's monthly payment amounts. And in March 2024, the advisor took a further payment of £400 from Mr S and applied it to Loan One.

But, the same problem happened again, in that EE couldn't reduce Mr S's monthly repayment amount and a refund was made back to Mr S's bank account. Mr S wasn't happy with how his loans were being handled, so he complained to EE. He said EE still hadn't refunded the lump sum payment from Loan Two and this was causing difficulties with his personal circumstances.

In their response to Mr S's concerns, EE said they had refunded the lump sum repayment for Loan Two. They also said they could refund the £400 lump sum payment for Loan One and asked Mr S to tell them what he wanted to do. Mr S didn't accept EE's response and brought his complaint to us.

While Mr S's complaint was waiting to be passed to one of our investigators, EE wrote to us with an offer to put things right. They recognised where Mr S had been given conflicting information and offered to pay Mr S £75 for the worry and upset he had been caused.

Once Mr S's case was given to an investigator, she explained to Mr S that she thought EE's offer was fair. The investigator said the £400 payment to Loan One was satisfying the scheduled monthly payments, meaning Mr S hadn't been required to make any from his bank account. And that EE were still prepared to refund any remaining amount, left from the £400 lump sum payment. The investigator also concluded that EE had refunded the £350 payment Mr S had made to Loan Two.

Mr S didn't agree with the investigator's conclusions and said EE had given him incorrect information, before he entered into the fixed sum loan agreements. He said this meant there

was a breach of contract and he should now be allowed to walk away from the agreements.

The investigator didn't change her findings and Mr S's complaint has now been referred to me to make a final decision.

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.

I want to acknowledge where I've summarised the events of this complaint. I don't intend any discourtesy by this, it just reflects the informal nature of our service. I'm required to resolve complaints quickly and with minimum formality. I want to assure Mr S and EE that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr S bought each brand new device using a regulated fixed sum loan agreement, and our service is able to deal with complaints relating to these sorts of agreements. From what I can see, EE was the supplier of each device as well as the creditor.

The lump sum payments

The crux of Mr S's complaint is that EE have kept his £350 payment and haven't refunded it. To try and understand what's happened, I've looked at Mr S's bank statements and at the transaction statement for Loan Two.

Having done so, I can see where £350 is paid to EE and then refunded the following day, in early March 2024. While I accept there is another transaction for £350 on Mr S's bank statement, I can see this was a payment coming into his account. I think this was most likely the payment from Mr S's wife, as he has told us she transferred the funds to his bank account. I cannot see another payment to EE for £350.

After considering all the evidence for Loan Two, I think EE refunded the payment of £350 that Mr S made in March 2024. Additionally, I think EE processed the refund in a reasonable time, without delay to Mr S. So, I think EE treated Mr S fairly with their handling of that payment.

Mr S also asked EE to look at the £400 payment he made to Loan One. After speaking to EE, he expected the monthly repayments to Loan One to reduce. But, EE says this wasn't possible, due to an ongoing error with their accounting systems.

I've checked Mr S's bank account statements and the transaction history for Loan One. Having done so, I can see where Mr S paid £200 on two separate occasions to EE. The first payment was made on 29 February 2024 and the second payment around two weeks later. I can also see where each of these payments were refunded shortly afterwards.

EE's records show that an advisor took a further £400 payment from Mr S on 22 March 2024, and this was used to reduce the balance of Loan One. The impact of the lump sum payment is that EE haven't claimed the monthly Direct Debit, because the monthly payment requirement had already been satisfied.

In other words, EE won't claim a Direct Debit for Loan One, until the £400 over payment is no longer enough to pay for the monthly instalments.

I've carefully considered all that has happened with Loan One. While I acknowledge that things haven't gone as Mr S expected, I don't think he has incurred a loss as a result. I say this because he was always due to repay the balance owed to Loan One.

EE have offered to refund any overpayment of Loan One that Mr S is due. But, so far he's not accepted that as a resolution. Given the time that has passed, it may be that EE will start to claim the Direct Debit again. In which case Mr S will see the monthly repayment to Loan One leave his bank account.

After our investigator reached their findings on Mr S's complaint, Mr S said he'd like to complain further about being misinformed by EE, about the ability to reduce the monthly repayment amount. He says he wouldn't have entered into the fixed sum loan agreements had he known the true position.

I've not seen where Mr S has previously raised this concern with EE, so I make no finding on that point, as part of my conclusions to this complaint. Instead, Mr S should contact EE directly, if he'd like to pursue his concerns. EE will then have the option to investigate the matter as a new complaint.

Distress and inconvenience

Mr S has described his frustrations of being given incorrect information by EE. I can see where EE took lump sum payments and applied them to each of the fixed sum loan agreements. And I can understand Mr S's distress when he was told it would not reduce the monthly repayment amount.

Especially when Mr S says one of the lump sum payments came from his wife and where he says the amounts concerned are significant.

Overall, I think EE could have explained things better to Mr S, when he made enquiries about making extra payments to the fixed sum loan agreements. And I think this has caused Mr S a degree of distress and inconvenience.

So, I think EE should make a payment to Mr S in reflection of that. In all the circumstances, I think £75 is a fair and reasonable level of payment to Mr S, to compensate for the distress he's told us about.

Putting things right

For these reasons, I require EE Limited to:

- Pay Mr S £75 for the distress and inconvenience he has experienced.

My final decision

My final decision is that I uphold this complaint and require EE Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 June 2025.

Sam Wedderburn
Ombudsman