

## **The complaint**

Mr M complains about service he got from Sky UK Limited (Sky).

## **What happened**

On 19 June 2024, Mr M placed an online order for a new mobile phone from Sky. The fixed sum credit agreement was for £606, interest free, to be paid over 36 months. Payments were £18 for 24 months, followed by £14.50 for the next 12 months.

The phone was delivered on 29 June 2024, and the first payment was set up to be on 12 July 2024. The phone was activated on 2 July 2024.

Mr M complained. He said:

- The contract was not clear, he thought he was entering into a 24-month agreement. If he'd known it was for 36 months, he wouldn't have signed it.
- He wasn't told the phone delivery would be delayed - he thought he would receive it quicker than he did. As a result, he was abroad when it was delivered. When he got back he activated it using his new SIM card and was told the first payment would be in August 2024. But in the event, Sky took the first payment in July – which he hadn't planned or budgeted for. He therefore missed the first payment – which must have affected his credit file.
- When he called Sky he asked for the payment to be adjusted.
- He quoted the Financial Conduct Authority's (FCA) Consumer Duty and said Sky hadn't followed it.
- He said Sky hadn't recorded his complaint or dealt with it.
- Mr M says Sky should waive the balance of the credit agreement.

Sky said they'd acted fairly and didn't uphold Mr M's complaint but offered compensation of £50.

Mr M brought his complaint to this service. Our investigator felt Sky acted reasonably. She said:

- It was unfortunate that the phone was on back – order and that this wasn't confirmed until Mr M placed his order. But at that point, Sky advised him delivery would be in one to two weeks.
- She thought Sky communicated with Mr M in a fair and clear way.
- The credit agreement was clear – it was for 36 months.
- The credit agreement said the first payment would be set by Sky and can only be

changed if both Sky and Mr M agree. Sky's policy is that changes to the payment cycle can only be made after the first bill has been paid. On the call on 10 July 2024, She said this was made clear to Mr M.

- For a phone that was delivered in June 2024, she said it was reasonable that Sky asked for the first payment in July 2024.
- For some service failings, Sky offered compensation of £50 – which was fair.

### **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.

Mr M bought the phone using a regulated fixed sum loan agreement, and our service is able to deal with complaints relating to these sorts of agreements. I note that Mr M also took out a SIM-only contract for data and airtime – but our service doesn't have the power to look into that, or the effect this may have on his complaint.

There are several aspects to Mr M's complaint which I will deal with in turn.

#### *Fixed sum loan agreement:*

Mr M argues that it wasn't clear that the agreement was for 36 months and if he'd realised this, he wouldn't have signed it. I looked at the agreement and it says: "*Total amount you will have to pay: £606.00 (total amount of credit + upfront payment): £606.*"

*Your repayments: You must make the following repayments at monthly intervals:*

*. £18.00 for 24 months, followed by*

*. £14.50 for 12 months. (Repayments)*

*This Credit Agreement is made on the date you sign it and, unless terminated earlier in accordance with its terms, the duration is 36 months from the date on which the first Repayment is due to be paid."*

The information was set out in boxes. Mr M signed it electronically on 19 June 2024. I consider that the information was set out in a fair, clear, and not misleading way.

#### *Delivery of the phone:*

Sky's records show the phone was delivered on 29 June 2024. It's not in dispute that the delivery was delayed as it was out of stock. But I can also see that Sky wrote to Mr M about this - they emailed him on the day he signed the agreement and said "*your new device...will be delivered 1-2 weeks...*"

So, it's fair to say Mr M was advised of the situation – and as he was in the 14-day cooling off period set out in the fixed sum loan agreement, he could've decided to cancel the agreement and the linked phone if he wished.

It's unfortunate that Mr M was then out of the country when it was delivered – but I can't reasonably expect Sky to have known that.

#### *First payment for the phone:*

Mr M says he was told the first payment would be in August 2024. I listened to the calls on 20 June 2024, 10 July 2024 (two calls); 12 July 2024, and 16 July 2024 – and I couldn't find that a comment was made by Sky to say that.

But on the call on 20 June 2024, the call handler said the direct debit payment date could be set once the phone had been delivered. He said *'you then have options to set the payment date once the phone is delivered....'*

This was a mistake by the call handler – and for that, Sky have offered a compensation payment of £50.

Sky told us their process is to set the first payment within the next month after the delivery of a phone has been confirmed. The fixed sum agreement also says: *"The first Repayment will be payable on a date set by us or the date we agree..."*.

Sky also told us that their process is that the payment date cannot be changed until after the first bill has been paid.

The phone was delivered on 29 July 2024 – and so Sky set the first payment as 12 July 2024.

On the call on 10 July 2024 – Mr M asked that the first payment date be changed to 15 July 2024 – as he would not have the money in his bank account to pay it. The call handler advised Mr M about Sky's policy on changing the payment date – and said he couldn't change it. This was also advised to Mr M on the call on 16 July 2024.

Mr M paid the first instalment by phone on 16 July 2024 – I heard that on the call on that day. Mr M also told us that he didn't suffer financially as he got some help from friends.

Mr M has asked that his credit file isn't affected - and Sky told us no marks were added to it.

On the calls, Mr M argued that the payment date should be changed because of Sky's duties under the FCA's Consumer Duty. I also note that Mr M has also quoted other FCA Principles from its handbook in his responses to our investigator too – which I have considered. In the calls specifically though, he said that Sky should listen to his needs and agree to adjust the payment date. I've considered this point – which was well made by Mr M on the calls.

Having done so, I think Sky could have perhaps been more flexible with the support it provided him as a customer when he said he wouldn't have the money in his account. But even accepting this, I don't think this led to a bad outcome as the necessary payment was ultimately made and there has been no impact on Mr M's credit file.

#### *Delay in dealing with Mr M's complaint:*

On the calls, Mr M asked what was happening with his complaint and the call handlers weren't able to tell him. And – Sky took until 25 September 2024 to send Mr M a final response – more than ten weeks. This is more than the eight weeks allowed under the FCA's complaint handling guidance.

For this, and the error by the call handler of the call on 20 June 2024 – Sky offered a payment of £50. I considered this – and in all the circumstances of this complaint, I think this is a fair way to deal with Mr M's complaint.

**My final decision**

Sky UK Limited has already made an offer to pay £50 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Sky UK Limited should pay £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 May 2025.

Martin Lord  
**Ombudsman**