

The complaint

Mr H has complained about the way Vodafone Limited dealt with him when he sought to upgrade a device using a fixed sum loan agreement with it.

What happened

The circumstances of the complaint are well known to the parties so I'm not going to go over everything again in detail. But, to summarise, in September 2024 Mr H said he purchased a device using a fixed sum loan agreement with Vodafone for £950. Vodafone said as he didn't pick up the phone on time from the store the order (and agreement) was cancelled. Mr H said there were issues with Vodafone's systems, so he was unable to reinstate the deal, and he was forced to apply again. He said he was unhappy Vodafone refused to remove the second credit search. And he said the price of the device went up by around £20, which meant his monthly repayments increased by around £1. He said he wanted the monthly payments as per the initial agreement and complained.

Vodafone initially responded to say it requested one of the searches were removed from his credit file. It said a Trade In credit of around £17 per month from a previous agreement would remain in place for the next 10 months. It also offered to apply the difference in price of the device to his airtime account or send it to his bank account. It said it was unable to change the repayment amount for the loan. But it also agreed to amend the airtime account and offered £100 compensation.

Mr H decided to refer his complaint to the Financial Ombudsman. Our investigator broadly thought Vodafone had done enough to put things right. Mr H didn't agree. In summary, he said:

- He didn't want to place the second order. It was placed only because of Vodafone's system issues.
- The duplicate credit search shouldn't have taken place so it should be removed. Vodafone had misled him about removing it.
- He requested to have the contract cancelled and to revert to his old contract, but Vodafone refused.
- He had a legal right to have the payment terms he agreed to.

As the complaint wasn't resolved it's been passed to me to decide.

While the complaint was waiting to be allocated to an ombudsman Vodafone wrote to our service to say Mr H had raised a legal case with the small claims court concerning the same issue outlined in his complaint to our service. It said Mr H had settled his court case accepting a £200 credit which had been issued as a refund. It said additionally a credit of around £170 had been applied to his airtime account to remove the billed balance and contribute towards his next airtime statement.

Our investigator contacted Mr H to ask for details of the claim along with copies of any official documents, but I can't see he responded with the information. Our investigator sent another assessment to say she didn't think Vodafone needed to take any further action given what she'd heard about the court claim.

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 that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide the complaint quickly and with minimum formality. I want to assure Mr H and Vodafone 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 H bought the device using a fixed sum loan agreement from Vodafone. These are regulated consumer credit agreements, and our service is able to consider complaints relating to these sorts of agreements. But, as has been pointed out, I'm not generally able to consider complaints that solely relate to the airtime contracts because those contracts don't relate to financial services that our service was set up to consider complaints about. I'm therefore not going to be commenting on issues Mr H may have had with regards to his airtime contract.

With regards to the complaint that relates to the credit agreement, I've reviewed the court claim form where Mr H describes the issues he faced i.e., with regards to having to make two credit applications. Vodafone has explained that Mr H accepted a settlement off the back of raising that claim. Like our investigator pointed out, an ombudsman may choose to dismiss a case where the subject matter has been the subject of court proceedings. But I don't think I need to do that for Mr H's case.

It's not totally clear what happened during the court proceedings. We asked Mr H to let us know more about what happened, but I can't see we received a response. On balance, I think Vodafone was likely correct in saying that Mr H accepted £200 in relation to the claim he made. It broadly fits with the circumstances, and I don't see why Vodafone would've notified us otherwise. Mr H hasn't disputed this. The overall compensation seems broadly fair in the circumstances. And given the time that's passed it's unlikely the credit searches would be impacting Mr H or causing any detriment, even if they had been carried out unfairly. Overall, I see no reason to direct Vodafone to take any further action.

My final decision

Vodafone Limited has settled the case with Mr H direct. I think that is fair in all the circumstances and I make no further directions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 October 2025.

Simon Wingfield
Ombudsman