

The complaint

Ms B complains about the outstanding amount owed under a fixed sum loan agreement, taken out in her name with EE Limited.

What happened

In July 2024, Ms B says a third party, who I'll call 'X', contacted her to talk about upgrading her mobile telephone device. She says X told her they were calling from Ms B's airtime service provider. Following the call, Ms B says she agreed to take out a loan to pay for a handset.

A few weeks later, an application in Ms B's name was started with EE for a fixed sum loan agreement. The loan was used to pay for a brand new mobile telephone device with a cash price of around £650. An upfront fee of £30 was paid to EE and under the agreement, Ms B was scheduled to make payments of about £17 over three years.

EE sent the device to Ms B's home address the following day. But, Ms B says she received another call from X who said they had made a mistake. Ms B says she was told by X to give the package to a courier and she would receive another device in the following days.

However, Ms B didn't receive a second package. So, she called her airtime service provider to raise her concerns. Ms B says she subsequently discovered that X was a fraudster and had tricked her into giving away the package from EE. She also said she thought she was getting a device from her airtime services provider and not EE. So, Ms B complained to EE and said they shouldn't hold her responsible for the repayments due under the fixed sum loan agreement.

In their response to Ms B's complaint, EE said Ms B's personal details had been used during the application for the loan and they couldn't find any evidence of fraud. They also said the device was received by Ms B. So, EE continued to ask Ms B to repay the loan in her name. Ms B didn't accept EE's response and brought her complaint to us.

One of our investigators looked into Ms B's complaint and found that EE had treated her fairly. She agreed that most of Ms B's personal details, including her bank account number, were used in the application. The investigator also said they had seen nothing to show where X was involved. So, the investigator concluded that Ms B was responsible for the fixed sum loan agreement with EE.

Ms B didn't agree and sent proof of her calls with her airtime services provider to report what had happened. She also maintained that she didn't authorise the application for the loan, so shouldn't be expected to make repayments.

The investigator didn't change her conclusions, so Ms B's complaint has now been passed 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.

Before I do so, I'd like Ms B to know that I empathise with the situation she has described to us. And I can see that it must have been extremely worrying time for her.

Where the evidence is incomplete, inconclusive or contradictory, as some of it is here, I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

EE are seeking to recover payment from Ms B under a regulated fixed sum loan agreement. Our service is able to consider complaints about these sorts of agreements.

During our investigation, EE provided us with their records of the application for the fixed sum loan agreement. Having looked at those records, I can see where Ms B's correct name, address, date of birth and bank account details were used. EE have also shown us where a debit card was used to make the upfront payment of £30, to start the agreement.

Ms B says X had gathered this information from her during their telephone conversation in early July and was able to use it, without her authorisation. She also says the email address and telephone number within EE's records are not connected to her and this is how X kept the application with EE from her, until after the loan had entered into arrears.

I accept where Ms B says she doesn't have any connection to the telephone number and email address used in the application. Additionally, EE haven't shown us who the debit card belonged to, to make the upfront payment. So, on the face of it, Ms B has given us credible reasons to describe how X may have applied for the loan without her authorisation.

To help me decide whether or not it's reasonable for EE to hold Ms B responsible for the fixed sum loan agreement, I've gone on to consider the other information available.

Throughout her complaint to EE and this service, Ms B has explained where she received telephone calls and emails from X. Ms B says the contact was shortly before she reported her concerns to EE in early August 2024. But, despite it being just a few days from her contact with X, to when she reported things to EE, Ms B says she's unable to provide copies of the emails or proof of her calls from X. In other words, Ms B hasn't been able to show where X was involved.

Although I acknowledge that Ms B may have routinely deleted records of her dealings with X, I think the absence of any evidence of X's involvement makes her side of the argument less persuasive.

I must also keep in mind where Ms B says she completed an application with X in early July, but didn't hear anything else until the device was delivered near the end of the same month. That means by Ms B's own timeline, that she understood the delivery of the device she thought she was getting, took around three weeks.

EE's courier delivered the packaged device to Ms B on 25 July 2024. Ms B explained to us that she didn't open the package for a few days. There doesn't seem to be any reason why Ms B waited to open the package containing her brand new handset. Without any reason for that delay, I think Ms B's testimony becomes less convincing. I say this because I think it was reasonable for Ms B to want to check the package, given it was a replacement handset with a significant value.

Ms B goes on to say that it was the subsequent contact from X that convinced her to open the package from EE and then hand it to a courier a few days later. I've concluded that we don't have any paperwork from Ms B, to show the arrangements she made with X, when the courier collected the device from her home address. Overall, I find the steps Ms B says she took here less persuasive, because of the item involved and the potential cost to Ms B if it was lost.

I don't doubt that Ms B feels distraught about what has happened. However, I need to consider where she received a device from a company she says she had no dealings with and then passed that device to an unknown third party. Having done so, I don't think Ms B's explanation about the application and the events following the delivery are persuasive.

The evidence Ms B has provided shows where she contacted her airtime services provider and the police, to report her side of the story. I can also see where Ms B has made token repayments to the loan, to try and prevent any negative information being applied to her credit file. While I think this supports Ms B's sincerity, I think EE's records and the differences I've found with Ms B's testimony, make EE's conclusions more credible.

In all the circumstances, I think the personal details used in the application and the inconsistencies in what Ms B has explained add weight to EE's argument that Ms B had authorised the start of the loan.

On balance, I don't think EE are acting unfairly by deciding that the most likely thing to have happened, is that Ms B gave her authority, or apparent authority for them to open the fixed sum loan agreement. Therefore, I don't find I have the grounds to direct EE to stop pursuing Ms B for the outstanding debt owed under the loan.

From what I've seen, Ms B doesn't appear to have made any payments to EE since the end of 2024. So, it may be that a balance remains owed by Ms B. In this instance, I remind EE of their responsibility to treat Ms B's current financial circumstances with due consideration and forbearance. This will mean working with Ms B to make sure she is able to make affordable repayments to any outstanding debt, if she's unable to make a lump sum payment.

I'm also aware that EE offered to pay Ms B £80 for the way they handled her complaint. This is separate to her concerns about the application for the fixed sum loan. And complaint handling in isolation isn't a regulated activity as outlined under our rules.

It then follows that I can't consider the fairness of EE's award to Ms B, for the way they've handled her complaint. So, I leave it for Ms B to contact EE, if she would like to accept the payment they've offered.

My final decision

My final decision is that I don't uphold Ms B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 29 August 2025.

Sam Wedderburn
Ombudsman