

The complaint

Mr W has complained that Sky UK Limited (“Sky”) acted irresponsibly when it provided him with four individual mobile devices, with four separate fixed sum loan agreements, all taken out in July 2024.

What happened

Mr W applied for four separate contracts for four different mobile devices from Sky between 6 and 12 July 2024. The loan agreements were all interest-free and each one lasted a total of 36 months. The monthly repayment amounts due on each varied from approximately £34 per month to £62 per month.

Mr W says he has a history of heavy gambling. He says he shouldn’t have had four agreements agreed in such quick succession. He says Sky should have realised the agreements were unaffordable as there was evidence of his poor financial history on his credit file. He also refers to contracts he took out previously with Sky where a settlement was reached that were previously brought to this service.

Sky has said that at the point of application for each loan agreement it ran both credit and fraud checks to ensure Mr W was able to afford the repayments over the contract period. Having done so it found the four agreements were all affordable and so it didn’t uphold Mr W’s complaint as it didn’t think it had done anything wrong. It also confirmed that Mr W applied for two further agreements which were both declined due to affordability concerns. It believes this supports the fact that it was considering each application thoroughly.

So Sky didn’t uphold his complaint although it offered to put a block on his account to prevent him making similar applications in the future. One of our investigators, having looked into the complaint, found that the checks completed by Sky for the first two agreements were likely to have been proportionate. But given that two more agreements were approved immediately after, he thought Sky ought to have done better checks. But even it had, he thought Sky would still have likely approved Mr W for the third and fourth loans. He therefore didn’t think it had done anything wrong in providing the credit to Mr W and so he didn’t uphold the complaint.

Sky accepted the investigator’s findings, but Mr W didn’t. He still says Sky ought not to have lent to him again, given his borrowing history with them.

Mr W’s complaint has therefore been passed to me for consideration.

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’m not going to uphold it either. I know this will come as a disappointment to Mr W so I have set out my reasoning below.

Our general approach to complaints about unaffordable or irresponsible lending – including

the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, the total cost of the credit and what it knew about the consumer at the time of application.

That means that the sorts of checks required will vary depending on the type of credit being applied for. In Mr W's case, all four of the fixed sum loan agreements were interest free and the monthly repayment amounts were particularly low, so the types of checks required would not have been as detailed as those that might be linked other forms of credit that are interest bearing or require higher monthly repayments.

Mr W applied online for six fixed sum loan agreements – the last two being unsuccessful. They were applied for within the space of a week. The last two were unsuccessful because he tried to make a total of five applications within a 24-hour period.

Sky has said that it ran sufficient checks at the time and was satisfied the agreements were all affordable and sustainable for Mr W. Our investigator didn't think the checks were sufficient for the third and fourth agreements given that they followed on from the first two and represented a further £2,300 in borrowing, in addition to the £3,700 already approved. I agree with this approach as I think Sky should have asked Mr W for further details about his financial circumstances before approving the third and fourth agreements.

Although there is no specific regulation requiring lenders to request bank statements from consumers before approving credit applications, these are often the quickest way to validate someone's income and get an oversight of their financial circumstances. As I think that Sky should have asked for something to further consider Mr W's circumstances before approving the third and fourth loan agreements, his bank statements were likely to have been sufficient for this purpose.

I've also seen details of the credit checks Sky carried out and have had the opportunity to consider information Mr W has sent us about his financial situation. Looking at Mr W's statements though, I can see that Mr W was receiving a net income each month of around £2,800. Like our investigator, I've next gone on to understand what Mr W had to pay each month for his household costs and other committed expenditure. And I broadly agree that Mr W appeared to be managing his account well with little to show or suggest that he was financially stretched. I would add that I can see evidence that he was paying off sums owed to a debt management company. There's also some evidence of cash withdrawals as well as transfers to other accounts. Taken at face value, I can't say that those transactions are evidence of gambling or that Sky might have been prompted to think they were. And to be clear, whilst I'm only looking at the third and fourth agreements I'm still taking into consideration that Mr W would have to pay for the first two already-approved agreements. It looks like Mr W ought to have had around £600 in disposable income available each month. That means he could have afforded the £179 he'd need to make each month going forwards to cover all four agreements.

It follows that I don't think that even if Sky had requested the bank statements, it's likely that this would have prevented Mr W from being approved for the third and fourth applications. Which means I don't think more thorough checks would have made a substantive difference here.

I would add that while I think Sky should have asked for Mr W's statements, that doesn't automatically mean it would have reviewed them in the level of detail needed to query what

the cash withdrawals and transfers were for. Rather I think it would have looked at the overall picture, showing that Mr W's income was sufficient to repay the amounts owed on each loan agreement, alongside his existing committed spending each month.

To summarise, I don't think the evidence and information available would've stopped Sky from approving the loans and therefore I can't uphold Mr W's complaint on that basis. And there wasn't anything else that might have prompted Sky not to lend to Mr W, such as a notice of correction added to his credit file.

Finally, I would like to remind Mr W that it remains open to him to allow Sky to put a block on his account to help prevent him from applying for more of this type of agreement in the future.

I've considered whether the relationship between Mr W and Sky might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Sky lent irresponsibly to Mr W or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons set out above I don't uphold Mr W's complaint against Sky UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 August 2025.

Michael Goldberg

Ombudsman