

The complaint

Mr C complains about the ending of a fixed sum loan agreement he took out with EE Limited.

What happened

In April 2024, Mr C took out a fixed sum loan agreement with EE, to pay for a brand new mobile telephone device. Mr C also took out an airtime service contract with EE, which enabled him to use their network.

After a few weeks, Mr C noticed that he hadn't received a discount he says he was offered on the airtime contract. Mr C says EE had offered a deal whereby they would reduce the monthly cost of the airtime contract by £20. So he called EE to complain.

EE agreed to apply the discount to Mr C's monthly airtime contract. But, in the telephone calls that followed, EE found Mr C's behaviour to them unacceptable. And after a warning, EE told Mr C that they were ending both his airtime service contract and his fixed sum loan agreement for the device. Mr C wasn't happy with EE's actions, so complained about the ending of both agreements.

In their final response to Mr C's complaint, EE told Mr C that they had terminated the loan agreements because of how he had spoken to their advisors. They said they had sent Mr C a final bill for the airtime services he had used and the remaining balance of the fixed sum loan agreement.

Mr C didn't accept EE's response and said they had removed his services at a time when he was struggling with his personal circumstances. So, Mr C brought his complaint to our service.

One of our investigators looked into Mr C's complaint and found that EE had treated Mr C fairly. He concluded that EE were able to end the fixed sum loan agreement, because the terms and conditions of the agreements allowed them to do so. The investigator also found that EE had warned Mr C about what may happen, before they sent him a termination notice.

Mr C didn't agree and said the investigator hadn't considered the discount he says EE had agreed to apply to his airtime service contract. The investigator didn't change his conclusions and now Mr C's complaint has been passed to me to make a decision.

I sent Mr C and EE my provisional decision on this case, on 25 April 2025. I explained why I didn't think the complaint should be upheld. A copy of my provisional findings is included below:

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

The ending of the fixed sum loan agreement

Mr C has told us EE should not have terminated his fixed sum loan and airtime services agreements and their actions caused him distress and inconvenience. However, EE have told us the terms of both agreements allowed them to be ended in light of Mr C's behaviour to their advisors. So, I've considered the terms and conditions of the agreements, to see if EE were able to withdraw their services.

EE have sent us a copy of their Network Terms and Conditions. I can see that Section 4.7 of this document says:

"Use of Services (things You must not do with the Services)

4.7 The Services are made available provided that You also comply with the following conditions, which are a fundamental part of this Agreement between You and Us:

4.7.14 You, or anyone who uses Your Sim Card, must not damage the Network or put the Network at risk, or abuse or threaten Our staff;"

The terms and conditions go on to say:

"6 When We may Suspend, Disconnect or terminate the Services

6.2 We may Suspend and/or Disconnect the Services and/or terminate the Agreement without warning if:

6.2.3 You fail to comply with any of the points in 4.7;"

Having thought carefully about the terms of Mr C's agreement with EE, I think Mr C was aware that EE would review the provision of their services should any abuse or threats be made to any of their staff. I also think Mr C was made aware that any review may lead to the termination of the airtime and device agreements.

I've found that EE were able to end Mr C's agreements. But, that doesn't mean EE can do so without good reason. So, I've considered if it was fair for EE to rely on the terms and conditions of the agreements, in light of Mr C's contact with them.

EE have sent us recordings of two telephone calls from April and May 2024. They say Mr C's behaviour in the first call resulted in them sending him a warning to say they may withdraw their network services from him. EE go on to say Mr C repeated his behaviour in the second call, which prompted them to follow through with the action outlined in their earlier warning. I've listened to each call to help me decide whether or not EE have treated Mr C fairly.

Having done so, I think Mr C did use behaviour that EE could fairly determine as aggressive in the second of those calls. In reaching this conclusion, I'd like to be clear that I make no judgment of Mr C's everyday behaviour, since I've only listened to two conversations with a telecommunications company. So, my findings only extend to those interactions and what action EE could fairly take, in line with their own terms and conditions.

During our investigation into Mr C's complaint, he explained to us that he experienced, and continues to deal with difficult circumstances with his overall health. I can also see from EE's records where Mr C had explained this to EE, shortly after he took out the fixed sum loan for the device. So, I've thought about the responsibility EE had towards Mr C and his personal circumstances, when they terminated his agreements.

While I acknowledge that losing use of the airtime services must have been distressing for Mr C, I don't think there was an onus on EE to have reversed the decision they had made. I say this because I cannot see that EE needed to adjust their communication with Mr C. And because of the content of the calls EE based their decision on.

In all the circumstances, I think EE applied their terms and conditions fairly, when they decided to terminate their airtime services and fixed sum loan agreement with Mr C. It seems the device is still in Mr C's possession. So, I also think it's fair that Mr C pays EE for the cost of the device. Overall, I think it's fair for EE to hold Mr C responsible for the repayment of the outstanding balance of the fixed sum loan agreement.

The discount on the airtime service contract

Our service can't consider every complaint brought to us. The rules under which I operate stipulate that I can only look into certain complaints. The Financial Services and Markets Act 2000 requires me to apply the rules of the scheme and those rules can be found in the Dispute Resolution chapter of the regulator's handbook of rules and guidance – commonly known as DISP.

These rules cover the types of complaints we can and can't consider. These are set out by the regulator, the Financial Conduct Authority (FCA), and can also be found on their website.

DISP 2.3.1 says we can only consider a complaint if it concerns a regulated activity. But, based on the information I've seen, I don't think a regulated activity has taken place under the airtime service contract for us to consider.

I say this because Mr C's contract with EE for the airtime was a service agreement. And this type of activity isn't listed in DISP as a type of agreement which is regulated. In all the circumstances, I don't think there was a regulated activity in place for the provision of the airtime contract with EE.

Because airtime contracts are not something this service can consider complaints about, I don't think we have the power to consider the concerns Mr C has raised about the discount he says he is owed by EE. Mr C may be able to refer his concerns about the discounted airtime service contract to another ombudsman scheme. But, as there's no regulated activity for us to consider in this part of Mr C's case, I make no finding about the cost of the airtime services contract.

Summary

In all the circumstances, I don't think EE treated Mr C unfairly when they ended the fixed sum loan agreement for the mobile telephone device. It then follows that I think it's fair for EE to hold Mr C responsible for the remaining balance due under the fixed sum loan agreement.

I realise that my conclusions mean that Mr C may still need to make payments to EE for the remaining balance of the fixed sum loan. I say this because during our investigation, EE has told us that an outstanding balance has been passed to a debt collection agency.

In this instance, I remind EE of their responsibility to treat Mr C's current financial circumstances with due consideration and forbearance. This may mean working with Mr C to make sure he is able to make affordable repayments to any outstanding balance, if he's unable to maintain the current payment plan.

Mr C didn't respond to the provisional decision. EE responded to the provisional decision,

but had nothing further to add.

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.

Neither Mr C nor EE have raised any further points for me to consider. So, I see no reason to depart from the conclusions I reached in my provisional decision.

My final decision

My final decision is that I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 June 2025.

Sam Wedderburn
Ombudsman