

The complaint

Miss W complains that Sky UK Limited didn't start collecting her direct debits when they should have.

What happened

Miss W financed a new phone through a fixed sum loan with Sky. She was to make monthly payments towards the agreement. The phone was delivered in April 2024, but Sky failed to record it as being delivered and, therefore, didn't take direct debits from Miss W's account. In July 2024 Miss W complained to them as she was upset they had failed to take payment.

Sky removed the first four payments and ensured direct debits for the regular monthly payments started to be taken.

Miss W was dissatisfied with their response. She referred her complaint to this service. She said Sky had failed to follow the correct complaints process, were 'breaching data' and that she believed they'd broken the terms of the credit agreement and that it should be unenforceable.

Sky made an offer to settle the complaint. They said they'd provide £50 in compensation for the distress and inconvenience caused alongside the four monthly payments they'd already removed. Our investigator thought that was a fair offer but as Miss W disagreed her complaint has been referred to me, an ombudsman, for 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.

I was sorry to hear about the difficulties Miss W faced but having considered all of the information, I think Sky's offer of settlement is a fair one. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Was there a breach of contract?

The finance agreement said:

"The first Repayment will be payable on a date set by us or the date we agree, and will be confirmed in writing. During the term of this Credit Agreement the repayment date may be changed as agreed between you and us".

As the date of payment could be changed, and has been, I don't think there's been a breach of the terms of the contract. It follows that I don't think there's any reason to ask Sky to void the agreement or that it may not be enforceable as Miss W has suggested..

Was there a data breach?

Miss W has explained that she's referred that matter to the Information Commissioner's Office (ICO). They are the appropriate body to consider such a complaint, and I'll not, therefore, consider that any further.

Did Sky handle the complaint as we'd expect?

The Financial Conduct Authority who regulate Sky's financial products expect firms to respond to customers complaints within eight weeks. I can see that Sky did that here. Miss W complained to them on 12 July 2024, and they provided their final response on 9 August 2024.

Is Sky's offer a fair one?

Miss W was very honest here. She called Sky to let them know they'd not been billing her, and I can understand her concerns that if she hadn't done that the problem may have persisted. But it didn't, and I can only consider the impact the problem *has* had on Miss W and not the impact it could have had. Here Sky have put things right quite quickly. They've waived payments when they didn't have to do so, and they've offered £50 to compensate Miss W for the distress and inconvenience she's experienced. They've also explained that they haven't reported any adverse information to Miss W's credit file. On balance, I think they've done enough and I'm not asking them to take any further action other than what they've proposed, and I've set out below.

My final decision

For the reasons I've given above, I uphold this complaint in part and tell Sky UK Ltd, if they haven't already done so, to:

- Pay Miss W £50 to compensate her for the distress and inconvenience she's been caused.
- Waive the first four payments due on the agreement.
- Ensure that no adverse information is reported to Miss w's credit file in relation to this issue.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 12 June 2025.

Phillip McMahon
Ombudsman