

## **The complaint**

Mrs U complains about the information given to her before she took out a fixed sum loan agreement with EE Limited.

## **What happened**

In October 2024, Mrs U contacted EE to talk about some deals they could offer her, if she were to switch her mobile telephone services to them. Mrs U was already a broadband customer of EE. So, they were able to offer Mrs U up to £100, towards the costs of exiting her contract with a different provider.

Consequently, Mrs U took out a fixed sum loan with EE to pay for a brand new mobile telephone device with a cash price of around £860. Under the agreement, Mrs U was scheduled to make monthly repayments of about £36 over a two year period. Alongside the loan for the device, Mrs U also took out a contract for her airtime services with EE.

After considering the deal further, Mrs U says she became unsure of what to do. And following receipt of a contract cancellation fee of about £500 from her previous airtime service provider, Mrs U complained to EE. She said EE had told her they would cover any cancellation fee she incurred, from switching her services. But, Mrs U said EE would only pay her up to £100, leaving her with a loss.

In their final response to Mrs U's complaint, EE agreed that they had given Mrs U incorrect information during the sales call. To try and resolve things, EE told Mrs U she could give the handset back and exit both the loan and airtime agreements. Or, they said she could keep the device and end the airtime services contract. EE also said they would pay Mrs U £100 for the distress an inconvenience caused.

However, Mrs U says that neither of these options were suitable, as she couldn't switch back to her previous provider. So, Mrs U brought her complaint to this service. Following that referral, EE contacted us to say that they hadn't given incorrect information to Mrs U in the sales call. But, they maintained their offer to pay Mrs U £100, end the airtime contract at no extra cost and allow her to keep the loan for the handset. This meant Mrs U was able to find a new airtime service provider.

One of our investigators looked into Mrs U's complaint and found that EE had treated Mrs U fairly. She listened to the sales call and agreed that EE hadn't given Mrs U incorrect information about the deal. So, the investigator agreed that in the circumstances, EE's offer was a fair way to resolve the complaint.

Mrs U didn't accept the investigator's findings and said she was given incorrect information, which led to her taking out the loan with EE and incurring costs from her previous provider. She said EE should waive the cost of the handset, reimburse her for the cost of ending her previous contract and increase the award for distress an inconvenience.

The investigator didn't change her conclusions and Mrs U'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.

Mrs U bought the brand new device using a regulated fixed sum loan agreement, and our service is able to deal with complaints relating to these sorts of agreements. From what I can see, EE was the supplier of the device as well as the creditor.

A misrepresentation is, in very broad terms, a statement of law or of fact made by one party to a contract to the other, which is untrue. And which induces the other party into the contract.

In Mrs U's case, she says she was told that EE would cover the exit fees charged by her previous provider. She also says EE told her they would offer the same services, but at a lower monthly tariff. However, all parties agree that EE doesn't offer a conference call feature. So, Mrs U says EE gave her incorrect information about the airtime services, which induced her into taking out the loan to pay for the handset.

On the other hand, EE say Mrs U wasn't given incorrect information when she spoke to their sales advisor. They say their advisor told her they would pay up to £100 for any exit fees Mrs U's previous provider charged. And while EE accept Mrs U wasn't told about conference calling specifically, they say Mrs U didn't ask at the time of the sale.

I've listened to the sales call between Mrs U and EE and I'm not persuaded EE gave Mrs U incorrect information. I say this because during the call, I can hear that the advisor and Mrs U discussed the exit fees charged by the previous provider, in that EE will pay up to £100 to cover any fees. Indeed, Mrs U told the advisor that the exit fees would be around £66. So, it seems Mrs U had the incorrect fee information with her, when she spoke to EE about taking out the fixed sum loan agreement.

Furthermore, I cannot see that during the call, or within the terms and conditions, that EE told Mrs U they would provide the exact same service as her previous provider. I accept the conference function was important to Mrs U. But, I don't think she specially asked the advisor about it. In any case, even if I were to find that EE gave Mrs U incorrect information, I don't think that would have been enough to induce her into entering the loan contract. I say this because I'm persuaded Mrs U's intention was to upgrade her device, at a lower cost to what she was paying with her previous provider.

On balance, I don't think EE gave incorrect information to Mrs U about the switching deal offered to her, at the time the fixed sum loan was taken out. So, I'm not persuaded there's been a misrepresentation by EE that may have induced Mrs U into taking out the borrowing for the handset.

It then follows that I think it's fair for EE to hold Mrs U responsible for the balance of the fixed sum loan agreement she took out to pay for the handset.

However, EE have acknowledged where they could have handled things better when Mrs U asked them to listen to the sales call. EE say they should have told Mrs U that their sales advisor didn't give her incorrect information. They go on to agree that this has caused confusion at a time when Mrs U says she was unable to return to her previous airtime services provider.

To recognise the trouble Mrs U experienced, EE say they are willing to pay her £100. This being equal to the maximum payment she was entitled to, after switching her airtime

services contract. Having thought about the impact on Mrs U and the confusion EE created, I also think it's fair for EE to make a payment to Mrs U. And, after considering all the evidence, I think a payment of £100 fairly reflects the distress and inconvenience Mrs U has told us about.

EE also say they will give Mrs U the option to exit the airtime services contract she has with them at no further cost to her. In doing so, EE say Mrs U can continue to repay the loan for the handset, despite not having an airtime contract. So, I leave it to Mrs U to contact EE, to discuss the option of ending her airtime services contract, if that is what she'd like to do.

### **Putting things right**

For these reasons, I require EE Limited to pay Mrs U £100 in recognition of the distress and inconvenience she has experienced.

### **My final decision**

My final decision is that I uphold this complaint and require EE Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs U to accept or reject my decision before 5 January 2026.

Sam Wedderburn  
**Ombudsman**