

The complaint

Mrs W said that she was treated unfairly when she tried to cancel a fixed sum loan agreement and return the goods supplied by Sky UK Limited.

What happened

Mrs W entered into a fixed sum loan agreement with Sky UK Limited. The agreement was for the supply of TV equipment. The cash price of the goods was £699, and Mrs W agreed to make 48 repayments of £14.

Mrs W said she ordered the TV through Sky's website, and it was delivered about two weeks later. When it arrived, she decided it was far too heavy for her TV stand to support. So she decided to buy a regular TV instead, as it would cost less, and she wouldn't be committed to Sky's other services. She said that she sent an email to Sky requesting to cancel during the cooling off period.

Mrs W said she had no response for weeks, so she made a complaint that Sky hadn't acted on the cooling off period. Mrs W said she'd received a number of calls, but she asked for a response in writing. But she said Sky wouldn't respond by email or post and closed off the complaint.

Mrs W said she later applied for a mortgage and found that Sky had placed a default on her credit record, which she said was unfair. Mrs W complained again to Sky. She said she was more than happy to return the TV, but a collection would need to be arranged. She said the matter had caused an impact on her credit score and frustration.

Sky said that Mrs W had used an email address that was similar to its own, but not correct. It said that it could understand the mistake and were willing to allow an out of cooling off period return in July 2023. But it had tried to contact Mrs W and provided methods for her to get back in touch. Sky said that the next contact it had wasn't until January 2025 when Mrs W disputed the default. Sky said it couldn't accept the return at that point and the TV had been used. It said as it hadn't received payment, and had sent the required notices, the default and termination of the agreement was correct. It ultimately did not uphold the complaint.

Mrs W referred her complaint to the Financial Ombudsman. An investigator here looked into the complaint. He said that Mrs W hadn't sent an email to the right address for Sky. He said that the default had been reported correctly. He didn't uphold the complaint.

Mrs W disagreed and in summary she said:

- She didn't remember getting a call and didn't understand why Sky didn't respond in writing.
- She didn't understand why Sky couldn't have written to her to explain.
- She didn't receive a non-delivery report when she sent the email, and the domain name was owned by Sky.

- She said the default was disproportionately harsh and her credit file was immaculate otherwise. Her intentions were to cancel the agreement as per her rights. She said she wouldn't be able to buy a house because of a typo.
- When she complained Sky should have been aware of her intentions, and didn't need to discuss it over the phone
- The TV was switched on and signed into, but it was then repackaged and stored for months. She said it had subsequently been in use, but it was in immaculate condition.
- Mrs W said she'd be prepared to pay for the TV if Sky were to remove the default on the basis of it being a misunderstanding.
- She disputed that the TV had been in use for the entire period.
- She didn't agree that cancelling the direct debit was relevant as she'd already decided to cancel within 14 days which she was entitled to do.

Mrs W requested that an ombudsman make a decision, so it's been passed to me.

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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time.

I'm sorry to hear of the impact that the default is having on Mrs W. But although I know this will come as a disappointment to her, having considered all the circumstances, I've reached the same overall conclusions as the investigator for broadly the same reasons.

I've read and considered the evidence submitted by both parties, but I'll focus my comments on what I think is relevant. If I don't comment on a specific point, it isn't because I haven't considered it, but because I don't think I need to comment in order to reach what I think is the right outcome. This is not intended as a discourtesy but reflects the quick and informal nature of this service in resolving disputes.

Mrs W acquired the goods using a fixed sum loan agreement from Sky. That is a regulated consumer credit agreement, and our service is able to consider complaints relating to it.

Mrs W said she tried to exercise her right to cancel the agreement during the cooling off period. It seems she'd changed her mind rather than there being a fault with the goods.

The cooling off period is set out in the terms of the agreement. It also includes various options about how to get in touch by telephone, post, email, live chat and online form. Mrs W sent an email, but Sky said that address isn't in use, so it didn't receive it. Whilst I understand that Mrs W said she should have received a rejection email, that isn't something that Sky are responsible for if the email address isn't in use. Sky might well own the domain name, but it isn't required to monitor emails that aren't in use. The agreement specifies the email address for the purposes of withdrawing from the contract, and several other ways to get in touch. The agreement also sets out what will happen when withdrawing from the agreement, including verification and an acknowledgement from Sky. So as a starting point I don't think that Mrs W correctly exercised her right to withdraw or to use the cooling off period.

The agreement was taken out in March 2023. Sky said that it was notified that Mrs W had cancelled her direct debit at the end of March and when payments were missed it sent a notice of sums in arrears. I think cancelling the direct debit is relevant here as it led to the later arrears, which in turn meant that Mrs W was in default of the terms of the agreement. In June 2023 Sky sent a default notice which explained that Mrs W was in breach of the contract, and she needed to make payment of £28 by 1 July 2023. It also set out the consequence of failing to do so.

When Mrs W contacted Sky to complain at the end of July 2023, she explained that she'd sent an email about the cooling off period and said she had no response to her request just lots of emails about missed payments. Mrs W explained that she received the contact about the missed payments. So, I think Mrs W had an opportunity to contact Sky earlier, not only because she'd been prompted by the notices of missed payments, but also as she ought to have reasonably been aware she needed to follow up on the cancellation and return of the goods. By the time she contacted Sky the default had already taken effect as she'd failed to make the required payment in time. Had she contacted Sky at all between the date the agreement started and the date she was required to remedy the breach of contract on the default notice, it's likely that the matter could have been resolved.

Mrs W said she asked for a response to her initial complaint in writing. I've seen the form she submitted in July 2023, and it does say she wanted to be contacted by email. Contemporaneous notes from the time indicate that Sky called Mrs W to get more information, but she was driving and asked for a call back the following day. A further call followed, and the note indicated that a voicemail was left. I think it should have been clear that Sky were attempting to get in touch. I understand that Mrs W disputes receiving the calls, but I've no reason to doubt the contact notes that I've seen. I'm aware that Mrs W has told our service that she needs adjustments and prefers not to communicate by phone. But I can't see she's told Sky about this.

Sky also followed the calls by two emails offering alternative means to contact Sky other than phone. Finally, another call was made, and the case was closed as Sky couldn't contact her. I can see that Sky was aware Mrs W had said that she'd tried to cancel, but it didn't have any record of any earlier contact, and needed further evidence that she'd tried to cancel in order to progress her complaint. So I don't think reaching out to her in this way was unreasonable. I think Mrs W ought to have been reasonably aware that Sky had been in touch, and although it didn't give her a detailed answer, it did contact her by her preferred method and she had opportunities to respond.

On 14 August 2023 Sky noted that Mrs W joined a live chat. The advisor informed Mrs W that it needed proof of attempts to contact within the cooling off period. The advisor noted that there was no response on the chat, the chat went idle and timed out. I haven't seen any indication that Mrs W attempted to follow up on any of the communication that Sky attempted.

I appreciate that Mrs W disputes the goods being used for the entire time. It isn't necessary for Sky to show that the goods were in use for the whole period. But showing that it was in use while it investigated the complaint, might indicate a lack of consistency with intending to cancel the agreement and return the goods. But it's clear that the goods have now been used so I don't think it would be fair to allow her to cancel the agreement and return the goods at this late stage.

The credit agreement that Mrs W signed sets out the consequences of not making payments of the correct amount on the due date. It also explains that Sky could send a default notice requiring arrears to be paid by a certain date and if that didn't happen then it could terminate the agreement, ask for full immediate payment and potentially take other steps to recover

the debt. The agreement also explains how and when Sky could report missed payments and default to the credit reference agencies. By signing the agreement Mrs W accepted those terms so I don't think that Sky acted unfairly in expecting payments in line with the agreement and it had the grounds to report a true reflection of the payment history including the missed payments and default to the credit reference agencies.

Sky sent a number of letters over several months. These are the sorts of documents that I'd expect to see when payments were missed. So, I think it did give fair notice to Mrs W that there was a problem and what she needed to do. It seems that Sky followed the guidance for when defaults can be recorded, so I can't say that it acted unfairly. Mrs W received the notices but she failed to take action in time to prevent the default. She could have responded to any one of those notices to follow up on her request to return the goods.

Making no payments towards an agreement is generally a sign that the agreement between the parties has defaulted. Mrs W only took action after the default had been reported, but she'd acknowledged that she had received the notices. There was a responsibility for her to maintain payments in line with the agreement. I appreciate she's said she exercised her right to cancel. But as I said earlier, she didn't contact Sky by any of the means that would have allowed her to actually exercise that right.

I understand and sympathise that Mrs W might have intended to cancel the agreement. But even though I have sympathy for her situation that doesn't mean I can direct Sky to remove the default or any other adverse information relating to her account. She might be able to add a notice of correction to her credit file if she wants other lenders to be aware.

So having considered everything carefully I don't find I have grounds to direct Sky to take further action. Sky needed to report a true reflection of her payment history, which it has done, so I don't require it to do anything further to resolve this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 21 November 2025.

Caroline Kirby
Ombudsman