

The complaint

Mrs D complains about three credit agreements taken out in her name with Telefonica UK Limited trading as O2.

What happened

In November 2022, Telefonica received an application for a credit agreement in Mrs D's name, to buy a mobile telephone device. A second application was made to Telefonica about a year later for a different device.

Around the same time, Mrs D says she had cause to check her credit report and noticed the two separate credit searches for each agreement. She says she didn't apply for, or authorise any of the applications, so she raised her concerns with Telefonica.

Telefonica didn't respond to Mrs D's complaint, so she brought the matter to us. While we began our review, a third application for credit with Telefonica was made in Mrs D's name. Similar to the other instances, Mrs D says a fraudster had used her details without her authority.

After looking into things, Telefonica agreed that Mrs D had been the victim of impersonation and closed all three agreements. They also offered to remove any association between the agreements and Mrs D, from Mrs D's credit file. Furthermore, Telefonica offered to pay Mrs D £150 for the distress and inconvenience she had been caused.

One of our investigators looked into Mrs D's complaint and agreed with the steps Telefonica had offered. However, he thought Telefonica should increase the payment for the distress Mrs D had experienced to £250, in light of the time they had taken to sort things out.

Telefonica accepted the investigator's findings, but Mrs D didn't. She said she had been refused borrowing with other providers because of the adverse information on her credit file. Mrs D also said Telefonica hadn't paid her a settlement that she was awarded by a court.

The investigator didn't change his conclusions and now Mrs D's complaint has 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.

This case is about three loan agreements taken out with Telefonica, to pay for three separate mobile telephone devices. These types of loans are regulated financial products, so we are able to consider complaints about them.

Mrs D says she didn't apply for the borrowing with Telefonica, or authorise for someone else to take out the loans in her name. Following Mrs D's most recent complaint, Telefonica investigated the loan applications and found that a third party had impersonated Mrs D with all three agreements. So, they upheld Mrs D's concerns and agreed she shouldn't be held

responsible for any outstanding debt owed under those specific loan accounts.

Having thought carefully about Telefonica's findings, I think that part of Mrs D's complaint has been resolved. I say this because Telefonica have removed the onus on Mrs D to service the balance of the loan agreements. So, I think Santander have treated Mrs D fairly, given they've accepted she didn't authorise the borrowing taken out in her name.

However, Mrs D remains unhappy with the information that continues to appear on her credit file and with the delay caused by Telefonica in sorting things out. So, I've gone on to look at the other steps Telefonica have taken, to help me decide if they have treated Mrs D fairly.

During her complaint, Mrs D has shown where information about credit searches carried out by Telefonica remain on her credit report. She says this gives other lenders an inaccurate reflection of her application history. On the face of it, I agree with the points Mrs D has raised, in that she shouldn't experience any prolonged negative impact from a third party's actions to impersonate her.

Telefonica have since told us that they will remove Mrs D from any association to the three loan accounts. This means deleting any trace of the three loans at the heart of this complaint, from Mrs D's records with credit reference agencies. Although I can see why this caused Mrs D concern when she first noticed the entries on her credit file, I think Telefonica have now taken the appropriate steps. Therefore, I think Telefonica's approach to removing the inaccurate information is fair and reasonable.

Mrs D has also told us about the impact the impersonation fraud has had on her and where she says Telefonica exasperated things by causing a delay.

At the heart of what's happened, I need to keep in mind that an unknown third party applied for the borrowing in Mrs D's name. I understand Mrs D's anger that the applications with Telefonica seem to have been successful. But, I think it was the actions of the third party that instigated the worry that Mrs D has suffered. I also need to keep in mind that Telefonica have lost out, as each of the three loans were used to pay for a mobile telephone device.

That said, I do think the delay caused by Telefonica added to the worry that Mrs D encountered. I can see that Mrs D brought her concerns to Telefonica's attention over six months before they did something about it. And it's taken for Mrs D to raise the issue with us, for Telefonica's investigation to begin.

While I acknowledge where Mrs D says a loan application was declined, I've not seen any evidence to demonstrate that. Additionally, there are many variables used by credit reference agencies and lenders to make borrowing decisions. On balance, I don't think the documents and testimony available carry enough weight to suggest that the information about the agreements, were the only reason behind the lines of credit open to Mrs D.

Mrs D has also explained to us about some very difficult personal circumstances she has faced, at a time and where Telefonica didn't engage with her about the third party taking out borrowing using her personal details.

Telefonica are willing to make a payment to Mrs D, in recognition of the trouble and upset the delay has caused to her. Although I empathise with what Mrs D has told us, I think Telefonica's current offer is fair and reasonable. In all the circumstances, I think it would be fair for Telefonica to pay Mrs D £250 for the distress and inconvenience she has experienced.

Finally, Mrs D has mentioned that Telefonica haven't made a settlement to her, from some

recent court action she has taken. It does not appear the court action Mrs D has spoken about is the same as the complaint we have considered here.

I note Mrs D's frustrations with what has happened, but I agree with our investigator, that the court she obtained the settlement from, may be best placed to advise her what her options are. To be clear though, I do not make a finding in this decision about Mrs D's points regarding the court settlement she says she is owed by Telefonica.

Putting things right

For these reasons, I require Telefonica UK Limited trading as O2 to:

1. Remove all information regarding the three credit agreements set up in November 2022, September 2023 and April 2024, from the records held about Mrs D with credit reference agencies; and
2. Pay Mrs D £250 for the distress and inconvenience caused.

My final decision

My final decision is that I uphold this complaint and require Telefonica UK Limited trading as O2 to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 15 August 2025.

Sam Wedderburn
Ombudsman