

The complaint

Mr L complained about the quality of a mobile phone supplied to him under a fixed sum loan agreement with EE Limited.

What happened

Mr L bought a mobile phone for around £1,700 through a fixed sum loan agreement with EE in July 2024. He needed to make monthly repayments of around £47 for 36 months towards the loan.

Mr L said around the end of October 2024, the phone developed a fault and had a crack on the screen. He contacted EE and it referred Mr L to the manufacturer; I'll refer to it as S. Mr L arranged to send the phone to S for repair. However, S declined to repair the phone under the manufacturer's warranty as it said the damage to the phone meant the warranty was void.

Mr L complained to EE and said the faults with the phone happened within six months and he wanted EE to repair or replace the phone or cancel the agreement. He said the phone was faulty and referred to the Consumer Rights Act 2015 (CRA) and said he didn't think he was supplied a phone which was of satisfactory quality. EE said it wouldn't repair or replace the phone without charge, as S confirmed the phone had damage.

Mr L referred his complaint to the Financial Ombudsman. He said he didn't drop or damage the phone, and he got a second opinion from a repair shop who said it was a manufacturing fault. Our Investigator considered Mr L's complaint but didn't uphold it. He explained that he wasn't considering the outcome of the warranty claim – but the actions of the finance provider – EE. He said he considered the evidence Mr L provided – photos which showed damage to the phone, however based on the evidence provided he didn't think there was enough to show there was a fault that was present or developing at the point of supply.

Mr L didn't agree as he didn't think the pictures showed the true nature of the fault and needed to be seen in person. He asked how to provide evidence from an independent repair shop – but didn't provide any further evidence. He complained EE didn't offer to inspect the device itself, and he was unhappy he was paying for a phone which didn't work. He also highlighted the damage was internal and under the screen protector.

As the matter remains unresolved it has been passed to me to decide.

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.

When considering what is, in my opinion, fair and reasonable, I must take into account relevant law and regulations; regulator's rules including Consumer Duty, guidance and standards; codes of practice; and what I believe to have been good industry practice at the

relevant time.

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 informal nature of this service in resolving disputes.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr L bought the phone using a regulated fixed sum loan agreement, and our service is able to consider complaints relating to these sorts of agreements. EE is also the supplier of the goods under this type of agreement and is responsible for dealing with a complaint about the quality of those goods.

The CRA is of particular relevance to this complaint. It says that under a contract to supply goods, there is an implied term that "the quality of the goods is satisfactory." The CRA also sets out what remedies are available to consumers if statutory rights under a goods contract are not met. Given the phone was brand new it should've been in perfect condition, free from even minor defects as well as durable.

The CRA sets out that goods which do not conform to the contract at any time within the period of six months beginning with the day on which the goods were delivered to the consumer must be taken not to have conformed to it on that day. Unless it's established the goods did conform to the contract on that day or that the application is incompatible with the nature of the goods or with how they fail to conform to the contract.

I understand Mr L was disappointed he bought a brand new phone, and this had problems soon after purchase. He said that as the phone had a fault within six months of purchase, EE should repair or replace it, or let him cancel the agreement.

When Mr L raised the issue, EE referred him to the manufacturer, S. I think that was a reasonable first step, because if S had been able to repair the phone, the matter would have been resolved quickly under the warranty. But once S declined the claim, EE still had to consider its obligations under the CRA and consider whether the phone was of satisfactory quality at the time it was supplied to Mr L.

Mr L provided photos of issues with the phone, and I've also seen the email from S, declining the warranty repair, which referred to some photos. S said the phone was damaged and didn't meet the warranty requirements. I can see the photos show visible problems with the screen, but they don't show how or why the damage occurred.

I think it's difficult to conclude based only on Mr L's testimony and the photos provided that the phone was of unsatisfactory quality. I'm not a phone repair expert and nor is EE as the finance provider. So, I don't think it was unreasonable for EE to rely on Mr L providing evidence to demonstrate there has been a breach of contract. Mr L hasn't done this, and EE relied on the manufacturer's findings, which stated the phone was damaged, rather than it being of unsatisfactory quality. On balance, I think it was reasonable for EE to take S' position into account.

I've considered what's fair for Mr L. He bought a new phone, and it's not unreasonable for him to expect it would last longer than a few months without issue. He has indicated the phone wasn't durable and highlighted internet articles for similar issues to the same make of

phone. But I've not seen evidence to support this is specific to Mr L's phone that he got from EE.

The photos show the screen coming away, and it's unclear how this may have happened. I don't know how the phone was used or how it was looked after. For me to say that EE acted unfairly, I would need to see evidence to show Mr L's phone's fault happened because it wasn't sufficiently durable or there was an inherent fault. The difficulty here is that the only third party evidence available, from S, says the problem was caused by damage, not an inherent fault. Mr L said that he would obtain an independent report, but he hasn't provided any further evidence to support the issues he's highlighted happened to *his* phone. So, I haven't been provided any other independent opinion to oppose what S said. Based on the available evidence, I don't think EE's answer was overall unfair.

I appreciate Mr L is unhappy that he had to continue to pay towards the fixed sum loan agreement despite the phone not working, however I don't find it unreasonable that EE asked Mr L to do this as it is a separate issue to the quality of the phone.

Although I sympathise with Mr L's position, without sufficient evidence to demonstrate the problems were as a result of an inherent fault or that the phone wasn't durable, I can't fairly say EE failed in its obligations under the CRA. I'm not persuaded that EE needs to take further action.

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 Mr L to accept or reject my decision before 9 October 2025.

Amina Rashid
Ombudsman