

The complaint

Miss W complains that Virgin Media Mobile Finance Limited added late payment markers to her credit file and passed her account to a debt collection agency.

What happened

In April 2022 Miss W entered a 36 month contract with Virgin Media for an iPhone 13 with payments of £34 per month.

In October 2022 Miss W entered another 36 month contract with Virgin Media for an iPhone 14 with payments of £25 per month.

Miss W missed payments on the account. She says this was because she had insufficient funds in her account on the date when the direct debits were attempted. Miss W tried to contact Virgin Media to bring the accounts up to date and to change the direct debit date and her contact address. Miss W says she found it difficult to contact Virgin Media because all contact details had been removed from their website and call agents were incorrectly directing customers to O2. This left her with no way to rectify the missed payments.

Miss W eventually found a contact number for Virgin Media and paid the arrears on the accounts. By this time one of the accounts had been passed to a debt collection agency.

Miss W complained to Virgin Media. Virgin Media didn't uphold the complaint. It said the late payment markers had been correctly reported because Miss W had missed multiple payments.

Miss W remained unhappy and brought her complaint to this service.

Following the referral of the complaint to this service Virgin Media made an offer to resolve the complaint by recalling the account from the debt collection agency.

Our investigator thought the offer was fair. She said that with regards to the late payments markers on Miss W's credit file, the account history showed that Miss W missed payments and despite her difficulties in contacting Virgin Media by phone the option to pay online via the portal was available.

Miss W didn't agree. She said she wanted the default and late payment markers removed from her credit file because she hadn't been able to make payments online via the portal. Miss W attached screenshots and videos showing that when she tried to make payment or change her details on the portal she received a message saying "server cannot be found". Miss W said the only service she was able to pay for via the online portal was her broadband package. She said there was no option to make payments to her mobile phone finance.

This service sent Miss W's further evidence to Virgin Media to review. Following this, Virgin Media accepted that Miss W was unable to access the online portal to make payments to her mobile phone finance and made a further offer to resolve the complaint. It offered to remove the negative information from Miss W's credit file once she had cleared the arrears.

of £575 in full.

Our investigator thought the offer was fair.

Miss W didn't agree. She said she couldn't clear the balance in full and she wanted compensation.

Because Miss W didn't agree I've been asked to review the complaint.

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 know it will disappoint Miss W, but I agree with the investigators opinion that the offer from Virgin Media is fair. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a particular 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.

I've set out the background to this complaint in detail above so I won't repeat it here. Essentially, Miss W missed payments on her accounts due to having insufficient funds in her account on the date when the direct debit was attempted. Following this Miss W tried to contact Virgin Media to make payment and change her direct debit but found it difficult to do so. Miss W was also unable to make payment via the online portal.

Virgin Media has accepted that Miss W experienced issues paying via the online portal. It has offered to recall the account from the debt collection agency and amend Miss W's credit file once she's paid the arrears in full.

Miss W isn't happy with this as a resolution to her complaint because she can't pay the arrears in full at this time and she believes she should receive compensation because of the difficulties she experienced trying to resolve things with Virgin Media and the misinformation she's been given.

I've reviewed the history of Miss W's account. I can see that Miss W first missed a payment on 1 October 2023. She made payments in December 2023 and January 2024 but missed a payment in February 2024. The March 2024 payment was made and the April 2024 payment was missed.

Based on what Miss W has told tis service, the missed payments between October 2023 and April 2024 are due to her having insufficient funds in her account on the date when the direct debit was taken.

Miss W has said that she tried to contact Virgin Media to change her direct debit date. She hasn't provided dates of when she made these attempts but has told this service that her attempts at contact began immediately after the missed payments.

On any analysis, Miss W had missed at least 3 payments before she attempted to contact Virgin Media. And so whilst I acknowledge the difficulties that Miss W experienced when she tried to telephone Virgin Media Customer Services or access the online portal, the fact remains that she had missed payments due to having insufficient funds in her account prior to experiencing these difficulties.

Virgin Media – like all providers of credit – are under an obligation to provide accurate information to the credit reference agencies. So, where a customer has missed payments – as is the case here – the late payment markers reported on the credit file are a reflection of the state of the account.

In the circumstances, I can't say that Virgin Media made an error when it reported the first 3 late payment markers on Miss W's credit file.

I appreciate that Miss W has missed further payments since April 2024. Miss W says that this is because Virgin Media cancelled her direct debit, and she had no other means to make payments. I haven't seen any evidence to suggest that Virgin Media cancelled Miss W's direct debit. But it's accepted by Virgin Media that Miss W couldn't use the online portal to make payments to her mobile phone agreement.

I can see that when Miss W eventually managed to get through to the correct team at Virgin Media, she cleared the arrears on one of the accounts. But the other account had already been passed to a debt collection agency by then. Virgin Media has offered to recall the account from the debt collection agency to give Miss W the opportunity to pay it which I think is fair and reasonable.

Miss W has said that she wants the default and all the late payment markers removed from her credit file. As I've said above, I don't think Virgin Media has made an error when it reported the first few late payment markers. But in any event, Virgin Media has offered to remove all adverse information from Miss W's credit file in relation to the account once she has paid the account in full. I think this is fair.

Miss W has said that she can't afford to pay the arrears in one go. Virgin Media has confirmed that the arrears are £575 and that it will agree a payment plan with Miss W. Once the arrears are cleared Virgin Media will amend Miss W's credit file.

Taking everything into consideration I'm satisfied that Virgin Media have made a fair and reasonable offer to resolve this complaint. It's up to Miss W whether she accepts the offer, but I won't be asking Virgin Media to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 20 August 2025.

Emma Davy
Ombudsman