

The complaint

Mr H has complained that he's unhappy with how EE Limited treated him when he entered into a contract with it to supply a phone.

What happened

Mr H entered into an agreement with EE in August 2024. He was supposed to be supplied a phone and an airtime contract with an upfront deposit of £30 and payments of around £65 a month initially (due to a half price airtime offer for the first six months).

Mr H has raised several points which he's unhappy about. I've summarised them here and numbered each point which I'll refer to throughout for ease of reading:

1. Mr H said he was unhappy with the way the credit application was handled.
2. The phone was not delivered to him.
3. He's unhappy with how the subsequent insurance claim was dealt with.
4. He's unhappy with harassment from the debt collector.
5. He's unhappy with the impact on his credit file.

EE didn't uphold the complaint, so Mr H referred to our service. An investigator here said that the complaint wasn't one we could consider as it related to a subsidy agreement (and not a credit agreement). She said the underlying agreement with EE wasn't regulated so it meant we couldn't consider it. A separate complaint was set up in relation to the insurance claim (3).

Mr H disagreed. In summary he said:

- He disputed that there wasn't a regulated credit agreement
- He'd never had an account with EE before so it couldn't be a subsidy agreement linked to an existing account
- The arrangement involved deferred monthly payments for services and a handset which strongly resembles a consumer credit agreement under the Consumer Credit Act 1974 – and therefore qualifies as a regulated activity under Financial Services and Markets Act 2000 (FSMA)
- EE refused to replace his phone after it was stolen unless he paid a large sum upfront
- EE issued a default without notice which is in breach of the Consumer Credit Act 1974
- The account was referred to debt collectors who engaged in harassing behaviour and provided false information
- EE failed to respond to his formal complaint for over six months, well beyond the Financial Conduct Authority's (FCA) eight-week time limit
- The ombudsman has a duty to consider the full picture as set out in the FCA handbook. The broader context has not been properly considered in his case

The complaint was passed to me to make a decision. I issued a provisional decision and a jurisdiction decision setting out what part of the complaint I can consider. In relation to the merits of the complaint that I can consider, I said:

Based on the evidence I've seen, both parties seem to accept that the application for a prospective credit agreement didn't go smoothly, although it's not clear that was as a result of an error by EE or Mr H. Perhaps neither party is at fault, but the evidence is incomplete and it's a very narrow point that I can consider. The majority of the complaint relates to what happened from point 2 onwards. But I need to point out the part that would fall within our jurisdiction.

As I've said, I think that as this was a prospective credit agreement I can consider how EE handled this application process. The difficulty here is that I don't know why the application didn't go according to plan when he applied online.

EE said there was an error, and I don't know why that happened. But there wasn't anything necessarily wrong with asking Mr H to call to complete the process. During the call Mr H asks what went wrong with the online application, but the advisor isn't able to explain why.

Mr H is clearly uncomfortable with how long things are taking, having to read through the terms and conditions and being required to make a further upfront payment, but he seemed to accept the advisor's explanations and apologies as it went along. As EE are discussing a regulated credit agreement at this point, it was required to provide clear information in relation to the credit agreement, its terms and conditions, including Mr H's obligations. I think that the advisor in the call provides the relevant information and proceeds with the application, handling Mr H's questions and objections reasonably. The call also discusses other matters which don't relate to credit, which might have led to the length of the call.

But ultimately, I'm unable to say why that application didn't progress any further, as the call ends abruptly. Based on that call I don't intend to direct EE Limited to take any further action because there's insufficient evidence to say it treated him unfairly up until this point to the extent that it needs to take any further action.

I've also thought about how EE handled the complaint about the application process. This is also difficult as it is so closely linked to matters that we can't consider. However, on balance, although I think it could have been clearer about this in isolation and responded earlier, I don't think it has caused any detriment. That's because the losses Mr H is claiming flow from matters that we can't consider.

EE acknowledged my provisional findings on the merits of the complaint we could consider. But Mr H did not agree, and made further comments. I've summarised those here where it relates to the merits of the complaint:

- EE's internal process was deeply flawed and misleading
- The call did not end abruptly he was hung up on
- The handling of the complaint has clearly caused detriment

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've summarised Mr H's comments in relation to the merits of this complaint, but I want him to know that I've carefully considered all the points he made and the evidence he provided. However, he's repeated and reiterated a number of points that he made previously, which I addressed in my provisional decision. So, I don't intend to address the same points again. Instead, I've tried to concisely explain why the additional comments and evidence I've received since I issued my provisional decision haven't changed my mind.

I've listened to what Mr H said. But ultimately there isn't sufficient evidence that the application for credit went wrong because of an error by EE. There are many other reasons why an application failed to complete, and not necessarily anything to do with what Mr H did either. But having listened to the call I think the application proceeded as I would expect. He's said he was hung up on but I'm afraid I don't have sufficient evidence of that, which is why I've said the call ended abruptly.

Many of Mr H's comments relate to matters that I've already issued a jurisdiction decision on, so I make no further comment on their merits.

Mr H's further comments on EE's complaint handling haven't persuaded me that he's lost out as a result of EE's handling of the complaint that we can consider. I'm sorry to disappoint him but I still don't find that EE need to do anything to resolve his complaint.

For the reasons set out above and in my provisional decision I'm not directing EE Limited to do anything.

My final decision

My final decision is that I do not uphold this complaint.

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

Caroline Kirby
Ombudsman