

The complaint

Mr I complained about the way Virgin Media Mobile Finance Limited (VMMF) administered the fixed sum loan agreements he had with it.

What happened

The events surrounding this complaint are well known to both parties, so I'll only summarise what happened briefly here.

Mr I entered into two fixed sum loan agreements with VMMF in December 2022. Both loans were for around £900 each and required monthly repayments of £25 for 36 months. Each loan agreement was to purchase a mobile phone device.

There were missed payments to both agreements in November 2023 and from August 2024. Mr I said he discovered VMMF recorded missed payments on both agreements. He said he contacted VMMF's credit file amendments team in October 2024 but didn't get a response.

Mr I said that as a result of a transition of network providers his account wasn't managed correctly by VMMF. He complained because the information recorded on his credit file for missed payments and defaults were causing him harm due to the impact on a mortgage application. He wanted VMMF to remove the adverse information and explain the reasons behind the mistakes he said it made and pay compensation for the distress and inconvenience caused.

As Mr I said he didn't receive a response from VMMF he referred his complaint to the Financial Ombudsman. VMMF said that Mr I initially contacted the airtime provider. It informed this service that it contacted Mr I about the missed payments in December 2023 and in September, October and November 2024 and sent notices of default and termination in November and December 2024. It said that the information recorded was accurate.

An Investigator considered the complaint and said that he thought VMMF sent the required communication and as Mr I didn't make the payments the information recorded was a true reflection of the account conduct.

Mr I didn't agree. He said he didn't receive any of the arrears, default or termination letters and he only saw them because the Investigator sent them to him. He said he has tried to engage with VMMF since October 2024. He said he didn't dispute the payments were due but felt there was confusion because of the transfer between airtime networks. He explained the impact of the information on his credit file and his health. He also said that the debt had been passed to a third party and was unhappy with the contact he received. Mr I also repaid the balances outstanding on the loan agreements in October 2025.

The Investigator had further correspondence between Mr I and VMMF. However, VMMF didn't agree to remove the information from Mr I's credit file and Mr I still maintained that he didn't receive the communication about the arrears or the defaults and he wanted his credit file amended.

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.

I'm sorry to hear that this matter has had an impact on Mr I's health.

I want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr I and VMMF that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

When considering what is, in my opinion, fair and reasonable, I must take into account relevant law and regulations; regulator's rules including the Consumer Duty, guidance and standards; codes of practice; and what I believe to have been good industry practice at the relevant time. Where the evidence is incomplete or inconclusive (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 I bought two phones using two fixed sum loan agreements from VMMF. These are regulated consumer credit agreements, and our service is able to consider complaints relating to these sorts of agreements.

The fixed sum loan agreements that Mr S signed set out the consequences of missing payments. They also explained that VMMF may issue default notices if there was failure of payments and it could end the agreements after giving the required notices. The agreements further state that VMMF would record any defaults or failures to comply with the terms with the credit reference agencies. By signing the agreement, Mr I accepted those conditions, so I don't consider that VMMF to have acted unfairly in expecting payments to be made in line with the agreements. I'm satisfied it had the grounds to report a true reflection of the payment history including the missed payments and defaults to the credit reference agencies.

Mr I said that there had been an issue with payments due to a transfer of account between network providers for his associated airtime contracts. VMMF has clarified that the direct debits for Mr I's devices were separate to any airtime contracts he had. It explained that the direct debit for August 2024 was returned unpaid by the bank, and no payments were received from then. Based on the evidence available I'm not persuaded the payments that were missed were as a result of VMMF's actions.

The terms of the agreements state that VMMF will issue statutory notices in paper form and send them to Mr I's address held on the credit agreements. I've noted Mr I said he didn't receive the communication about missed payments and the notices of default and termination. However, from the information provided by VMMF, the notices were sent to the address on the agreement, and evidence has been supplied to show these were sent in paper form. On balance, I don't think it's fair to hold VMMF responsible for Mr I not receiving the notices sent to him. VMMF sent a number of communications over an extended period. 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 Mr I that there was a problem and what he needed to do.

Mr I had a contractual obligation to make payments under both loan agreements. Whilst I appreciate that he said he wasn't informed that payments had been missed, I think there was a responsibility for him to maintain payments in line with the agreement. I appreciate Mr I said that he checked to see if his payments were up to date, however I've not seen evidence to show this was done with VMMF. As the term for the loan agreements were for 36 months, I think Mr I ought reasonably have been aware that the loans hadn't been paid off. I acknowledge Mr I has taken steps to settle the debt more recently. However, it's not in dispute that payments were missed. Having carefully considered everything, I don't find grounds to require VMMF to take further action.

Mr I also said that he contacted VMMF in October 2024 to report the incorrect information on his credit file. Like the Investigator, I think Mr I contacted the airtime provider and I can't see that VMMF were informed of his complaint at this time. I appreciate Mr I has said that he has attempted to resolve this matter. However, as I can't see evidence that VMMF was contacted until January 2025, I don't think it was unfair that it didn't consider Mr I's complaint when he said he made contact in October 2024.

Mr I has also mentioned the contact he received from the company that was collecting the debt. However, as this happened after Mr I referred his complaint to this service I won't comment on it any further. If Mr I wishes to complain about this he would need to raise this with VMMF or the company and if he remains unhappy he could then refer the complaint to this service if he wishes to do so.

I understand Mr I will be disappointed with my decision. Having considered all the information available, I think VMMF needed to report a true reflection of Mr I's payment history, which it has done. I don't find that it acted unfairly in dealing with Mr I's complaint, so I'm not directing it to do anything further to resolve the complaint.

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 Mr I to accept or reject my decision before 2 January 2026.

Amina Rashid
Ombudsman