

The complaint

Mr H complains about the administration of several finance agreements with Telefonica UK Limited trading as O2.

Throughout this complaint, a family member has represented Mr H. But, to make things easier, I'll just refer to Mr H.

What happened

In February 2022, Mr H took out two fixed sum loan agreements with Telefonica. One loan was to pay for a brand new mobile telephone handset and the other to pay for a tablet device.

Over the next eighteen months, Mr H used a second account with Telefonica to take out finance agreements for three other devices. In total, Mr H had two tablets and three handsets on finance with Telefonica. Additionally, Mr H had airtime services contracts in place for each of the handsets.

In early 2023 Telefonica changed their systems, which meant Mr H couldn't see all his loan agreements and airtime contracts in one place. Mr H says this caused confusion, when he wanted to see what he was paying or how much he owed. So, Mr H raised his concerns with Telefonica.

Telefonica didn't respond to Mr H's concern and instead Mr H started to receive arrears letters for his loan agreements. After making a lump sum payment to try and sort things out, Mr H says Telefonica confused the matter further by threatening to terminate his airtime services contracts. He also said Telefonica had recorded missed payments on his credit file. So, Mr H brought his complaint us.

One of our investigators looked into Mr H's complaint and found that Telefonica had treated Mr H unfairly. She said Telefonica had caused confusion, which meant Mr H wasn't sure what he needed to pay and when.

To put things right, the investigator said Telefonica should remove all the adverse information recorded on Mr H's credit file and send him an up to date statement, for each of his loans and airtime contracts. The investigator also asked Telefonica to pay Mr H £400 for the distress and inconvenience they had caused, and to allow Mr H to continue making repayments under the same terms.

Both Mr H and Telefonica agreed to the settlement put forward by the investigator. However, Telefonica didn't pay the £400 directly to Mr H. Instead, they made the payment towards the debt accrued on Mr H's airtime contracts. They said they needed to do that, to clear the arrears and allow Mr H to get back to his normal payment schedule.

Mr H wasn't satisfied with Telefonica's actions and said they still hadn't provided an up to date statement of all his loans and airtime contracts. The investigator reiterated her findings to Telefonica, but they didn't change what they had done. So, Mr H's complaint has now

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 a fixed sum loan agreement which Mr H took out with Telefonica. These types of loans are regulated financial products, so we are able to consider complaints about them.

During our investigation into Mr H's complaint, Telefonica have explained that a change in their systems, and where Mr H has finance agreements spread across two different profiles, has caused confusion. I can see from the correspondence sent to Mr H by Telefonica, that this hasn't been helped by several arrears letters and notices of termination.

In the midst of the letters sent to Mr H, he has also made a lump sum repayment to try and repay the arrears across his accounts. And I cannot see where Telefonica addressed the complaint, when Mr H first raised his concerns. Indeed, we've also been given conflicting information by Telefonica, when attempting to look into what has happened.

The crux of Mr H's complaint is that he'd like an up to date statement for each of his finance agreements and airtime services contracts. He says this will allow him to check that he's repaid what he needs to. Telefonica say Mr H can look into the accounts he has, across the two profiles he has set up with them, by using their online portal. They say this will give Mr H access to the information he is looking for. But, the other part of Mr H's complaint is that he can no longer see all the accounts he has, when he has logged into their online portal.

Having considered all the evidence, I think Mr H's request is reasonable in that he wants to know what he owes and to avoid any missed payments. Telefonica have acknowledged that there were problems when their systems changed and I can see that they have been proactive in trying to sort things out for Mr H. However, it's clear Telefonica have encountered some problems in doing that.

I say this because Mr H has told us that he hasn't been sent an up to date statement, showing what he's paid towards the finance agreements in his name. It may be that Telefonica could look to contact Mr H, and demonstrate how he can log into the online portal and see all his accounts in one place.

But, in the absence of that, I think it's fair for Telefonica to send Mr H what he's asked for. In other words, I think it's fair for Telefonica to send Mr H a statement for each of his accounts, showing what he's paid and an up to date balance. Mr H can then consider if he has further concerns to raise about those balances, separate to this complaint.

I should point out that the airtime services contracts Mr H has with Telefonica are not regulated finance agreements. So, this service does not have the power to consider a complaint about the cost, or performance of the airtime services Telefonica provides to Mr H. Any concern Mr H wishes to raise about that, will need to be raised with Telefonica in the first instance.

Telefonica have told us that Mr H has since brought all five of his finance agreements up to date. Mr H says he still isn't sure about what to pay and when. I think the statements I've asked Telefonica to provide to Mr H, will help him more with his understanding. But, I also acknowledge where Mr H may need some additional help here. So, I think it's fair for Telefonica to engage with Mr H, to talk about a regular monthly payment, or Direct Debit

instruction to service all his agreements.

Having looked at all the evidence, I can see where Mr H has received conflicting information from Telefonica. I can also see where Mr H has made attempts to repay what he owes and get further information about his finance agreements and airtime services contracts.

It follows that I don't think Mr H should suffer from any adverse information recorded with credit reference agencies, about the loan agreements and airtime services contracts. Telefonica have told us that they will remove any adverse information recorded about Mr H's accounts with them. Overall, I think it's fair for Telefonica to remove all adverse information about those accounts, from Mr H's credit file.

Telefonica have also told us that they have made a payment of £400 to Mr H, for the distress and inconvenience they have caused. From looking at their records of the contact between EE and Mr H, I can see where Telefonica have passed Mr H's accounts to debt recovery agents and have caused confusion with their change of systems. Mr H has also told us about his difficult personal circumstances and the impact the confusion has had on him.

In all the circumstances, I agree that it's fair for Telefonica to make a payment to Mr H for the distress and inconvenience he has experienced. Having considered all that both parties have said, I think £400 is a fair and reasonable level of award. So, I don't think Telefonica need to increase the payment they have made to Mr H.

However, I can see where Telefonica have applied the payment to Mr H's airtime services accounts, in order to repay the arrears. While I can see how this might benefit Mr H, I think the award should be paid directly to him.

I've seen nothing to suggest Mr H asked Telefonica to use the award to repay the arrears on his airtime services accounts. It then follows that Telefonica should now make arrangements to make the payment of £400 to Mr H, so he can choose what to do with it.

I should point out, that by removing funds from Mr H's airtime services account, it may mean that account will fall back into arrears. Mr H will need to be aware of how that action will impact what he will owe to his airtime services accounts. So, I leave it to him and Telefonica to decide if he'd like the funds to remain in the airtime services account, or for them to put together the most appropriate way of repaying any arrears created.

In doing so, I remind Telefonica of their duty to treat Mr H's financial circumstances with due consideration and forbearance. This may mean looking at Mr H's income and expenditure details to put a repayment plan in place.

Putting things right

Having considered everything, to put things right Telefonica UK Limited trading as O2 should:

1. Pay £400 directly to Mr H for the distress and inconvenience caused;
2. Provide Mr H with an up to date statement for each of his five finance agreements and airtime services contracts;
3. Remove any adverse information recorded about Mr H's finance agreements and airtime services contracts with credit reference agencies; and
4. Engage with Mr H about reinstating the Direct Debit(s) to service his finance

agreements.

My final decision

For these reasons, my final decision is that I uphold this complaint and Telefonica UK Limited trading as O2 should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 October 2025.

Sam Wedderburn
Ombudsman