

The complaint

Mrs K has complained Virgin Media Mobile Finance Limited (“VMMF”) is holding her liable for a debt in relation to a credit agreement she says she didn’t take out.

What happened

The circumstances of the complaint are well known to the parties, so I’m not going to go over everything again in detail. But in summary, in October 2024 Mrs K contacted VMMF about loan repayments she discovered she was making to it. She said she wasn’t a customer of VMMF and that she didn’t give permission for her details to be used to take out a credit agreement. She requested the loan was cancelled and monies paid to VMMF were refunded.

To give some background, a credit agreement with VMMF was entered into in September 2023 to purchase a device that cost around £460. The agreement was due to be paid back over three years with payments of around £13. The repayments were made from Mrs K’s account.

VMMF looked into things and said after having investigated matters, it didn’t deem the account to have been taken out fraudulently. Mrs K decided to refer her complaint to the Financial Ombudsman. One of our investigators looked into things but didn’t think VMMF’s overall answer was unfair. Mrs K didn’t agree, so the complaint 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 want to acknowledge I’ve summarised the events of the complaint. I don’t intend any courtesy 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 Mrs K 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.

VMMF sought payment from Mrs K in relation to a fixed sum loan agreement, and our service is able to consider complaints relating to these sorts of regulated consumer credit agreements.

Like our investigator has pointed out, I primarily need to consider if VMMF is acting fairly by seeking payment from Mrs K under the fixed sum loan agreement. Having considered everything carefully, I believe it is, for similar reasons to what our investigator has set out. I’ll explain a bit more about why.

Other than the email address, the details used in the application were Mrs K’s. Mrs K’s name and address were correct. And her bank details were used in order to set up the direct debit.

It would be unusual, albeit not unheard of, for an unknown third party to have known those details in order to set up the agreement for goods that would be delivered addressed to Mrs K.

Moreover, I understand the application was carried out over the phone and the device was posted to Mrs K at her address. Mrs K hasn't offered an explanation for what else could have happened to the device. She says she only lives with close family. VMMF has said the device would only have been sent once the agreement was accepted. I don't think VMMF therefore was unfair to think it's unlikely that an unknown third party would have been able to set up the agreement using Mrs K's details, with information such as her bank account information that wouldn't have been easily known, and also was able to intercept the device before it was delivered to her. It's possible that could have happened, but I can understand why VMMF didn't think it was the most likely thing to happen.

Payments were made towards the agreement. While Mrs K has said she didn't notice them at the time, I think the longer it went on, the more difficult it would have been for VMMF to carry out an investigation into what happened. As VMMF pointed out, having payments made towards the credit agreement isn't typical for a fraudulently taken out agreement. Also, the cost of the device was relatively modest compared to other devices that are available. I don't think this is the typical value of device that is seen under agreements taken out fraudulently. So on balance I can understand why VMMF concluded the agreement likely wasn't taken out fraudulently.

I reached out to VMMF to ask a bit more about the contact that was sent about the debt. VMMF said Mrs K would have received emails and letters. So even if the emails weren't received, if the agreement had been taken out without Mrs K's knowledge, I think VMMF would have expected her to have received letters about the debt and contacted it about it if she didn't take out the agreement.

Moreover, when one of our staff members asked when Mrs K first discovered the issue she said it was September 2023, around the time the agreement was taken out. She later said she hadn't received anything about the debt around that time. So it's not totally clear what happened. I think VMMF would have expected to see Mrs K raise any issues straight away if she received documentation relating to an account she didn't recognise. And as I said, I think the longer the situation was left, the more difficult it would've been for VMMF to investigate.

VMMF has indicated it might be willing to consider any further evidence Mrs K can provide about reporting or obtaining a crime reference number. Other than the reference number, Mrs K wasn't able to provide anything further. But if she's able to obtain further information relating to reporting the issue with the police or any other explanation for what may have happened it might be something VMMF can consider for her separately.

Overall, I'm sorry to hear Mrs K is unhappy. I'll never know exactly what happened. And I'm not saying for certain something hasn't gone wrong. But having considered everything, I think VMMF would have wanted to see more to conclude it was unfair to hold Mrs K liable for the debt. So I'm not going to make any directions.

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 Mrs K to accept or reject my decision before 19 December 2025.

Simon Wingfield

Ombudsman