

## The complaint

Miss D has complained Vodafone Limited is charging her for a phone she says she no longer has in her possession and a loan she says she didn't agree to.

## What happened

The parties are familiar with the background details of this complaint – so, I'll only briefly summarise them here. It reflects my role of resolving disputes quickly with minimum formality.

According to Vodafone's records, Miss D bought a new phone (Phone1) from one of their stores in September 2023 (linked to the number ending 208). The sale involved Miss D starting a new credit agreement and a separate airtime agreement. Miss D also started a new broadband package.

Vodafone's records also show Miss D bought another new phone (Phone2) in December 2023 (linked to an upgrade for the number ending 210). This was ordered online and collected in store. Again, this sale involved Miss D starting a new credit agreement and a separate airtime agreement.

In June 2024, Miss D contacted Vodafone to raise several concerns about the sale of Phone1. This included Miss D saying the linked credit agreement was fraudulent as she didn't authorize it or sign the declaration. The fraud team responded to Miss D's complaint by saying they had found no evidence to support any fraudulent activity had occurred on any of her accounts – they were satisfied Miss D had taken delivery of both phones and had applied for the respective credit and airtime agreements.

In April 2025, Miss D raised a complaint with Vodafone saying:

- The store manager had agreed to lend her Phone1 in September 2023 because the phone she wanted wasn't in stock at the time - she hadn't bought it.
- That when she took delivery of Phone2 in December 2023, she returned Phone1 to the Vodafone store, so she didn't understand why she was still being charged for it and hadn't received a promised refund. Miss D has provided copies of some text messages she says she exchanged with the store manager at the time – which she believes supports the store loaned her Phone1 and she had returned it to them. Miss D says this is supported by the fact Vodafone's records show Phone1 hasn't been used since then.

Vodafone responded to Miss D's complaint by saying they had no record of them loaning Phone1 to Miss D or Miss D returning it to them. Vodafone also said they didn't consider the text messages showed Miss D had been chatting with the store manager and it's not normal practice for a store to temporarily loan a customer a brand-new high-end phone – as they'll no longer be able to sell it as new.

Unhappy with Vodafone's response, Miss D asked the Financial Ombudsman to consider the matter. Miss D clarified she believed the signatures for both credit agreements had been forged with Miss D saying the '*December contract was signed while I was at work with a client*'. Following our involvement, Vodafone offered, as a gesture of goodwill, to cancel (free of charge) the airtime agreement linked to Phone1. Miss D rejected this offer.

Our Investigator didn't uphold the complaint. In summary, they thought it was more likely than not that Miss D had applied for both phones and the linked credit and airtime agreements. The Investigator also didn't think the evidence supported Vodafone had loaned Phone1 to Miss D or that she had returned it to them. So, the Investigator didn't think Vodafone needed to take any further action in relation to Miss D's complaint.

Miss D didn't agree with the Investigator's findings saying, '*how does one prove theft*'. Miss D also believed the credit agreements had been mis-sold because she was signed up for '*3 years instead of 2*'. Because a resolution couldn't be reached between Miss D and Vodafone, the complaint has come 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.

Miss D has made several detailed points in her complaint. But in my decision, I don't intend to refer to everything or address every point made. I mean no discourtesy by this, instead I will focus on what I see as being the key outstanding points following the Investigator's outcome, and the reasons for making my decision.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I've reached 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.

I can consider this complaint because the issues Miss D has raised relate to a regulated credit agreement.

### **Fraud / mis-sale**

Miss D says the store manager agreed to lend her Phone1 in September 2023 as the phone she wanted wasn't in stock at the time. Miss D isn't disputing that she received Phone1. What Miss D is saying is that she didn't agree to buy that phone. And she says she didn't authorise the credit agreements linked to Phone1 or Phone2, saying she didn't sign the respective declarations - it's not her signature. I'm unable to say if the signatures are genuine or not as I'm not a handwriting expert – nor is Vodafone. So, I've considered what other evidence is available.

Vodafone has highlighted that Miss D paid an upfront payment (of £59) for Phone1. Miss D says she was told this was a deposit which would be refunded when she gave the phone back. Miss D has also said everything was agreed verbally in store by the manager – hence why she's unable to provide anything in writing to support her testimony. However, Vodafone has been able to provide copies of the supporting sales literature they say they sent to Miss D at point of sale.

Having looked at copies of the various sales documents, I think it's fair to say they don't contain anything which would imply Phone1 had been loaned to Miss D. On the contrary, I'm satisfied they showed Phone1 had been bought using a credit agreement. I also think the paperwork clearly set out what Miss D would need to pay each month and for how long. I

also note the documents appear to have been correctly sent to Miss D's email address. Miss D says she didn't read the emails or documents at the time because she thought they merely confirmed the loan arrangement that had been agreed verbally for Phone1. However, I appreciate why Vodafone had concerns about why Miss D hadn't contacted them sooner about her belief the credit agreement was fraudulent and had been mis-sold.

Vodafone's records show the credit agreement (and airtime agreement) linked to Phone1 were signed in store around the same time as the upfront payment was taken (using a card machine). And this was at the same time Miss D agreed to go ahead with a new broadband package – which Miss D has confirmed she applied for. It's possible a member of staff could have forged Miss D's signature on the credit agreement application. It's also possible Miss D may have signed the declaration without realising what she was signing. But I understand why Vodafone didn't think either scenario was likely and why they wanted to see more to show the linked credit agreement had been mis-sold and her signature had been forged given the available evidence didn't support this.

With regards to the credit agreement linked to Phone2, this was an integral part of an online application Vodafone received for an upgrade to an existing phone Miss D had previously bought from Vodafone. Miss D has confirmed she wanted a new phone. Vodafone's records show the supporting sales literature was emailed to Miss D. I'm also mindful Miss D hasn't said she paid for Phone2 (or Phone1) by making a lump sum cash payment. Nor has Miss D said she thought Phone2 was free. However, Miss D says she didn't sign the declaration for the linked credit agreement. As such, I appreciate why Vodafone wanted to know more about how Miss D thought she would pay for Phone2 if she didn't agree to the linked credit agreement.

Based on what I've seen, I appreciate why Vodafone concluded no fraudulent activity had taken place on any of Miss D's accounts. On balance, I think this was a reasonable conclusion for Vodafone to have reached. In the circumstances, I don't believe the available evidence is sufficiently persuasive for me to be able to fairly say either of the credit agreements were fraudulently applied for or mis-sold.

### **Loan of phone and it's return**

Miss D says she didn't get a receipt to confirm she'd given Phone1 back to Vodafone. But she believes the text messages she's provided prove the phone was loaned by, and returned to, the store manager. Having looked at those texts, I note:

- they don't state a person's name.
- there is no mention of Vodafone.
- There is nothing to identify what phones are being discussed.
- They don't confirm that a phone has been returned.

I appreciate it can be difficult to prove a negative. The texts do discuss the need for Miss D to return a phone. But I can see why Vodafone concluded they don't identify who Miss D was talking to or that it related to a phone Miss D had bought/borrowed from Vodafone.

Miss D has said Vodafone should be able to confirm if the number belongs to the store manager. Vodafone has said they're unable to say whether it does or doesn't due to the General Data Protection Regulations (GDPR). Given these regulations, I understand why Vodafone is unable to provide the requested information. It's possible Miss D was speaking to the Vodafone store manager. And it's also possible the store manager may have agreed to do something that was outside of Vodafone's normal company policy. But I think it was

reasonable for Vodafone to conclude that the available evidence doesn't support this. I'm also unaware of Miss D having reported the potential theft of Phone1 to the Police.

Vodafone has clarified it would be highly unusual for a store to agree to loan a phone to a customer – especially a brand-new high-end device. It would mean they'd be unable to sell that device as new, meaning Vodafone would likely incur a financial loss on that phone. In any event, even had the store agreed to lend Miss D the phone, I think it's reasonable to believe there would have been some form of record of this given it would have comprised of an unusual event and would have been needed for stock control.

Vodafone's records show they held a conversation with Miss D in April 2025 about the complaint Miss D had raised. The call note records Miss D told them that: *'when she took it back to the manager the phone was cracked so he said that she would have to pay for it..... so the manager said he would reduce her bills for her instead on her home broadband and the contract for the device'*. I haven't seen any photographs to show what kind of damage Phone1 may have suffered. So, I'm unable to say if this may have prevented it from working. Vodafone has also explained that while they can't see that Phone1 has been used on their network since December 2023, this doesn't mean it hasn't been used on another network.

I also note Miss D hasn't said by what amount the monthly instalments for the credit agreement and broadband would be reduced by. Again, Vodafone has explained this sort of offer would be highly unusual, especially for a discount to be applied to the unrelated broadband package. So, I think it was reasonable for Vodafone to believe it was unlikely Miss D would have agreed to leave Phone1 with the store without her receiving something in writing to confirm she'd returned it and what future discount had been agreed. Vodafone says they've found no written record of them loaning Phone1 to Miss D or Miss D returning that device to them and nor is there any record of them agreeing to apply a discount to either the linked credit agreement or Miss D's broadband package.

Based on what I've seen, I think Vodafone acted fairly when concluding the evidence didn't support they'd agreed to loan Miss D a phone or that Miss D had returned any phone to them.

## **Conclusion**

I appreciate Miss D has strong feelings about what's happened. But for the reasons I've explained above, I'm not directing Vodafone to take any further action in relation to this complaint. Vodafone has, however, confirmed they're still willing to cancel (free of charge) the airtime agreement linked to Phone1. If Miss D wishes to accept this offer, she should contact Vodafone directly to let them know. However, with regards to the two credit agreements, I don't consider Vodafone is acting unfairly when asking Miss D to repay the remaining balances.

## **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 Miss D to accept or reject my decision before 10 March 2026.

Carl Bibby  
**Ombudsman**