

## **The complaint**

Miss E complains about the administration of two fixed sum loan agreements she has with Hutchison 3G UK Limited, trading as Three.

## **What happened**

In May 2024, Miss E took out two fixed sum loan agreements with Three. The first was used to pay for a brand new mobile telephone handset and the second was used to buy a smart watch device.

After using the devices for a few months, Miss E says she became dissatisfied with the airtime services contract she had with Three. So, Miss E complained to Three about that contract. However, following the complaint, Miss E says she noticed some missed payments towards her device loans. Miss E raised her concerns about the missed payments and asked Three to put matters right.

In their response to Miss E's concerns, Three explained that Miss E hadn't made the payments she was expected to. They also said Miss E had used an incorrect reference number, when she tried to repay the outstanding arrears. Miss E didn't accept Three's response and brought her complaint to us. She said Three had cancelled her Direct Debits on purpose, in retaliation to her complaint about the airtime services contract.

One of our investigators looked into Miss E complaint and found that Three had treated Miss E fairly. She looked at Three's records and said that Miss E had cancelled the Direct Debits herself, but despite advice from Three she hadn't reinstated it. The investigator saw that Three had removed any adverse information from Miss E's credit file related to the missed payments. So, she said Three didn't have to take any further steps to settle Miss E's complaint.

Miss E didn't agree and said she didn't call them to talk about the Direct Debit. Miss E maintained her view that Three had cancelled the payments on purpose, because of her other complaint.

The investigator didn't change her conclusions and Miss E'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 two fixed sum loan agreements which Miss E took out with Three. These are a regulated financial products, so we are able to consider complaints about them.

Throughout her complaint, Miss E has explained that she remains dissatisfied with the airtime services provided by Three. The airtime contracts are not regulated financial agreements, so we do not have the power to consider complaints about them.

However, I can see that Miss E has approached a different dispute resolution scheme to raise her concerns about the airtime services. But, for clarity, I make no finding about the airtime services contract in this decision.

The crux of Miss E's complaint is that she says Three have made deliberate changes to the repayment arrangements of her fixed sum loans, which have caused her distress and inconvenience. So, I've looked at the payment history of the loans in Miss E's name, along with the evidence of contact between the two parties to this dispute.

Having done so, I can see that in July 2024 the Direct Debit instruction to pay both fixed sum loans was unsuccessful. I've looked at the reasons why the Direct Debit failed and I can see that Miss E's bank account provider refused to process a payment and told Three to refer to Miss E. I cannot see that the payments failed because of any action or interference by Three. After a few days, Three made a second successful attempt to claim the payment from Miss E's bank account.

In the following month Three's records show they spoke to Miss E about the Direct Debit instruction. Three's notes suggest Miss E had cancelled the Direct Debit with her bank account provider, and wanted to have the payments taken from a credit card account. I can see from Three's records where they didn't agree to that and say they told Miss E to call back, to reinstate the Direct Debit in a few days.

After considering Three's contact notes, I think this was the source of the missed payments Miss E complains of. But, she says Three's records are unreliable and she didn't speak to them about cancelling the Direct Debit in August 2024. We've since asked Three for a copy of the call recording, but they say it has been deleted. I acknowledge where the lack of the call recording is frustrating, as we cannot hear exactly what was or wasn't said.

Where the evidence is incomplete or inconclusive, I reach my decision on the balance of probabilities. In other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Having thought carefully about Three's written notes of their conversations with Miss E, I've seen no evidence to suggest they have been doctored or fabricated. On balance, I think it's likely that the Direct Debit was unsuccessful because of a decision by Miss E, or her bank account provider. Overall, I'm not persuaded Three were responsible for the missed payments due to Miss E's fixed sum loan agreements. So, I don't think Three are responsible for the distress and inconvenience she experienced.

That said, I've gone on to think about the steps taken by Three, following their request for Miss E to call back and reinstate the Direct Debit.

Three have explained that their call with Miss E took place before Miss E's bank account provider had cancelled the Direct Debit instruction. They say this needed to happen first, in order for them to take a new instruction directly from Miss E. While I understand that this required Miss E to remember to call Three back, I don't think it was unreasonable in the circumstances. Afterall, it was in Miss E's interest to make sure the repayments were made to the fixed sum loan agreements on time.

Furthermore, Three have since agreed to remove all the adverse information recorded with credit reference agencies, about the missed payments from July and August 2024. This is despite Three having no record of Miss E calling them to reinstate the Direct Debit. So, I think Three have already attempted to provide a fair resolution to Miss E's concerns about the loan for her handset and smart watch.

I recognise that Miss E has a very strong assertion that Three have caused her problems with the repayment of her loans, because of concerns she raised about her airtime service. While I do not try to add to Miss E's frustration, on balance, I cannot see any evidence to suggest Three treated her unfairly with the missed payments to her fixed sum loan agreements.

In all the circumstances, I don't think Three needs to take any further steps to settle Miss E's complaint.

### **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 Miss E to accept or reject my decision before 27 October 2025.

Sam Wedderburn  
**Ombudsman**