

The complaint

Miss C complains that Telefonica UK Limited trading as O2 charged her for two devices when she upgraded her old phone.

What happened

In February 2025 Miss C “switched up” (upgraded) her mobile phone with O2. She returned her old phone to O2, but it was sent back to her. Miss C didn’t know why her old phone had been sent back. She queried this in an O2 store and was advised that there was no reason for the phone to have been sent back to her. Miss C re-returned her old phone back to O2.

During this time Miss C was charged for two phones each month. She spent hours on the phone trying to sort it out. On one call she was advised that the reason she was still being charged for her old phone was because O2 hadn’t received it. Miss C provided tracking information which showed the phone had been delivered to O2.

O2 waived the device loan for Miss C’s old phone on 2 June 2025, and no further payments were taken.

Miss C raised a complaint with O2. She sought a refund of the payments she’s made since returning the old phone and reimbursement of her expenses incurred whilst trying to resolve the issue. She also sought compensation for distress and inconvenience.

O2 didn’t uphold the complaint. It said the old phone was initially rejected because Find My iPhone was still active and the switch up couldn’t be processed. O2 acknowledged that Miss C had a poor customer experience and paid £260 compensation, which was applied to Miss C’s account as credit.

Miss C remained unhappy and brought her complaint to this service.

Our investigator didn’t uphold the complaint. He said that because Miss C hadn’t returned the device in the required condition when she sent it the first time, it was reasonable for O2 to return the phone back to her. The investigator said that when Miss C returned the phone the second time it was outside the 30-day window, which is why O2 continued to charge her. The investigator said that O2 could’ve communicated more clearly with Miss C, and he recognised that Miss C had spent a lot of time trying to resolve the matter but said that overall the compensation of £260 already paid by O2 was fair and reasonable.

Miss C didn’t agree. She said she’d never been told that the phone had been returned to her because the factory settings hadn’t been reset. Miss C also said that when the phone was returned the second time she was still charged because O2 said they hadn’t received the phone even though the tracking showed that they had.

Because Miss C didn’t agree I’ve been asked to review the complaint.

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 know it will disappoint Miss C, but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the terms and conditions for "switch up". These required Miss C to return her old phone to O2 with its original factory settings, which includes deactivating the Find My iPhone feature and logging out of/removing iCloud.

O2 has provided screenshots of the online process for returning a device. This shows that Miss C would've been required to tick a box to confirm that iCloud would be removed from her device before it was returned.

O2 says that when Miss C returned her old phone the first time, it wasn't in the required condition, which is why it was sent back to her.

Miss C has said that she was never given a reason for her phone being sent back to her. O2 says it notified Miss C on 20 February 2025 of the reason why the phone had been sent back to her. I haven't been provided with evidence of the communication so I can't be certain of what Miss C was told and when. Miss C has told this service that she went into a branch to ask why her phone had been sent back and I've seen a note on O2's systems which shows that a member of staff from the branch spoke to the Switch Up Team and was advised that the phone had been returned because Find My iPhone was still active on it. Miss C then returned the phone a second time.

I've thought about whether it was reasonable for O2 to send the phone back to Miss C. On balance, I think it was. The terms and conditions of Switch Up required Miss C to return the phone in the required condition. The phone wasn't returned in the required condition. I appreciate that there is uncertainty about whether Miss C was given an explanation for why the phone was returned to her on 20 February 2025 as O2 asserts. However, I'm satisfied that Miss C was given an explanation when she visited the branch, and I can see that she returned the phone in the required condition the following day.

I've gone on to consider whether it was fair for O2 to charge Miss C for the phone once it had been returned in the required condition. Miss C says she was told that the phone hadn't been received. I haven't seen any communications to this effect. I can see a note on O2's systems indicating that the return wasn't processed because it had been returned outside the 30-day window. In any event, the Switch Up has now been completed and the charges for the old phone have now been refunded to Miss C so I don't think there's anything more that O2 should do about this aspect of the complaint. I'm satisfied that O2 has credited Miss C's account with a sufficient amount to cover the charges that she says she shouldn't have had to pay for her old phone.

Turning now to compensation for other matters, including Miss C's time and the distress and inconvenience caused. I understand that this matter has taken up a lot of Miss C's time to sort out. She's explained that she had to take two days off work, and she seeks reimbursement of £192 to cover two days annual leave. It's not clear to me why Miss C took two days off as much of the communication about this matter appears to have been via telephone. In any event, this service doesn't approach compensation on an hourly or daily rate basis. We look at the distress and inconvenience caused overall and determine what's a fair and reasonable figure.

Taking everything into consideration and having regard to the compensation already paid by O2, I'm satisfied that the sum already paid of £260 is fair and reasonable. This covers the charges for Miss C's old phone after she returned it and includes an amount for poor service and for distress and inconvenience which I think is fair.

For the reasons I've explained, I'm unable to uphold 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 Miss C to accept or reject my decision before 6 January 2026.

Emma Davy
Ombudsman