

The complaint

Mr B complains that EE Limited (EE) hasn't done enough to assist him after he says his former partner arranged an early exit from his loan agreement without his permission.

What happened

Mr B opened an account with EE in October 2018. In May 2024 he took out a loan agreement for a mobile device which was to run for 24 months. He also took out an airtime agreement alongside this. He gave the device to his former partner, who I'll call A, to use.

In March 2025, EE received a call from the telephone number on the account. It sent a one-time passcode to the number in question, and this was provided to pass security. During this call, a Porting Authorisation Code (PAC) code was requested. The caller was notified about the cancellation fees that would apply, and the direct debit set up for the account was cancelled.

A few days later the PAC was initiated. Shortly afterwards Mr B attempted to make a call and could not. He called EE on the same day and was notified of the events of the past few days. Mr B said he thought A had taken the device and made the requests without his knowledge or authority.

EE looked into the matter and acknowledged the person it spoke to did not sound like Mr B. There was some suggestion from Mr B that A's father might have made the call on her behalf and as it was someone he knew, a fraud dispute was not raised. EE suspended the account whilst it retrieved the number from the company it had been ported to. Once the number was retrieved, the service to the device was restored. EE also managed to re-instate the airtime agreement and Mr B recovered the device from A.

The only matter which could not be resolved was that of the loan agreement. EE said as the loan agreement had been terminated, it could not be re-instated. EE said Mr B would need to settle the balance of £744.66 on the account. Mr B informed EE he was going through a difficult period with his break-up and could not afford to pay the balance all at once. He asked to repay the balance owed in the monthly instalments as agreed when he took out the loan agreement. EE advised this was not possible and put a temporary hold on the account whilst Mr B brought his complaint to our service.

Our investigator considered matters and said Mr B had provided authority for A to use the device, but she was not persuaded Mr B also gave authority for amendments to be made to his loan agreement. As such, our investigator found it fair for Mr B to be allowed to repay the remaining balance in the monthly instalments agreed at the outset. Our investigator also found that Mr B's credit file should not be affected by what has happened. She further suggested he should be paid £100 compensation for the distress and inconvenience caused by EE in failing to assist Mr B during what was already a worrying time for him.

EE disagreed and asked for an ombudsman to review the complaint. It said it was not able to set up a repayment plan in the way that has been described. It suggested that Mr B's account be left in its written off status and he could make payments into it which would not

be monitored. However, it said that making in regular payments would likely stop it from being picked up for debt sale. The investigator did not change her findings, so the complaint has now 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 would like to start by saying that I have provided a brief summary of the events that occurred. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

Mr B purchased the phone using a regulated fixed sum loan agreement, and our service is able to deal with complaints relating to these sorts of agreements.

Mr B has informed us that he took out the loan agreement and associated airtime plan for a device which he gave to A to use. Mr B has said he did not, however, provide his authority or consent for the loan agreement to be terminated in the manner it was. EE has said it did go through security measures during the call that took place in March 2025. It is not in dispute, however, that it was not actually Mr B who made that call. I am therefore not required to analyse this matter further except to say the following.

Having considered the events that have occurred I find that although Mr B provided authority for A to use the device which he was paying for, I am not persuaded that he provided authority for the loan agreement to be terminated before the end of the loan term. That having been said, it would not be fair or reasonable for Mr B to suffer any adverse effects of an instruction given by a third party to port the number and terminate the loan agreement.

EE has managed to re-instate the airtime agreement and retrieve the number associated with the device. Mr B has managed to retrieve the device from A and has given it to another family member to use. These matters appear to have been settled and do not require further comment.

As the loan agreement was terminated before the end of its term, EE has said the balance owed on the account is payable all at once. Mr B has made clear from the outset that he cannot afford to settle the balance in this way. He is happy to keep the device and make his monthly repayments as agreed when the loan agreement was taken.

EE has repeatedly said it is unable to re-instate the loan agreement with no clear reasons as to why this is not possible. It proposes allowing Mr B's account to remain in a written off status which it is unable to monitor and says if he makes payments into the account, it would be unlikely to be picked up for debt sale. This is not a guarantee, and I cannot be certain that Mr B will not be unfairly affected by leaving the account in this state in the future. As such, I do not agree this is a fair and reasonable resolution to the complaint.

Instead, I find that EE should find a way in which Mr B can repay the amount owed towards the device on a monthly basis. The monthly repayments should not be more than the agreed repayment amounts on the loan agreement. As long as the terms of these repayments are met, no adverse information should be recorded on Mr B's credit file.

Mr B has said he's concerned his credit file rating has considerably declined. EE has said Mr B is in arrears on another account he holds with it as well. The information provided by Mr B about what is affecting his credit file is not clear. Without more information, I am unable to determine whether his credit file has been unfairly affected by the on-hold markers that EE has applied since Mr B's complaint has been active. In relation to his credit file, I require EE to ensure that no adverse information is recorded in relation to the events that occurred on this account. This does not prevent EE from reporting accurately to the credit reference agencies if Mr B fails to meet the terms of the repayment plan in the future.

Lastly, our investigator suggested that £100 compensation be paid to Mr B for the distress and inconvenience caused. I find that Mr B promptly recorded an issue, and EE was able to swiftly put matters right. The matter has stemmed from a third party who made the request on Mr B's account without his permission, and EE should not be held responsible for that.

However, despite Mr B making his personal difficulties clear, EE did not compromise or try to reach a reasonable resolution in relation to the balance owed for the loan agreement. This added to what would have already been a stressful time. In addition, Mr B has lost time in which he could have been making repayments towards the agreement. This has increased his period of indebtedness. Mr B is now concerned he will need to order a new phone, and the handset he has will not have been paid off yet.

I find EE should have made attempts to resolve matter much sooner and in failing to do so, caused Mr B unnecessary distress and inconvenience. So, I find the £100 compensation proposed to be fair and EE should pay this amount to Mr B.

My final decision

My final decision is that I uphold this complaint and direct EE Limited to:

1. Set up a repayment plan for the amount owed under the loan agreement, with monthly repayments being no more than those agreed under the terms of the original loan agreement;
2. Remove any adverse information recorded on Mr B's credit file in relation to this account to date;
3. Pay £100 to Mr B for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 February 2026.

Vanisha Patel
Ombudsman