

The complaint

Ms A has complained about the information Hutchison 3G UK Limited (Three) provided when she took out a new finance agreement.

What happened

In June 2024, Ms A entered into a Fixed Sum Loan Agreement with Three for the supply of a new mobile phone. I'll call this agreement 1. The amount of credit under the agreement was £1,162.00 and the agreement had a term of 35 months, with payments of £32.20 due each month, after the first payment of £32.28. At the same time she entered into a 24 month airtime agreement.

Ms A explained that she saw a new deal to get a new phone and trade in her current phone, which she thought would mean her first agreement would come to an end with nothing further to pay.

In November 2024, she entered into a new Fixed Sum Loan Agreement with Three for the supply of a new mobile phone. I'll call this agreement 2. The amount of credit under the agreement was £1,248.00 and the agreement had a term of 35 months, with payments of £34.55 due each month, after the first payment of £34.67. Three explained that at the same time, Ms A's airtime agreement was extended and no other changes were made. This resulted in Ms A having three active agreements with Three, two device agreements and one airtime agreement.

During the application process for agreement 2, Ms A arranged to trade in the phone subject to agreement 1 and in December 2024, a credit of £494, the trade in value, was applied to the account of agreement 2, thereby reducing the balance and monthly payments due.

In April 2025, Ms A contacted Three to raise concerns that three direct debits were being collected and she felt just two should be in place. The notes provided say she explained she traded in her phone five months prior and was not told she needed to continue to pay for it. A call back with a manager was arranged for a few days later in which it was explained to Ms A that she was still liable for the balance on agreement 1. Ms A raised a complaint, and stopped making payments towards agreement 1, resulting in Three contacting her from June 2025 onwards about the arrears, which Ms A has explained has been very distressing.

In its response Three explained that the upgrade offer was in relation to the airtime plan and as per the terms of agreement 1, Ms A was required to make the repayments in the event that the airtime plan came to an end. It confirmed it credited the trade in value to agreement 2 and that as it found no errors had been made, it didn't uphold the complaint. Unhappy with this response, Ms A referred her complaint to this service.

Our Investigator looked into the complaint and whilst he empathised with Ms A's situation, he said that the online screenshots provided by Three show that, at the time agreement 2 was taken out, Three made it clear that Ms A would need to continue paying for agreement 1 until the balance was cleared and as such he didn't think Three had acted unfairly by asking Ms A to continue paying when there was an outstanding balance. He also said that as Three were

not aware of Ms A's vulnerabilities, he didn't think it treated Ms A unfairly by not making any adjustments. He acknowledged that Three sent a confusing email after agreement 2 was taken out, but due to when it was sent he didn't think it affected Ms A's choice to sign the agreement.

As Ms A didn't agree, 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'd like to start by saying how sorry I was to hear about all that Ms A is going through and I thank her for taking the time to bring this complaint.

The agreements relating to each mobile phone in this case are regulated consumer credit agreements. As such, this service is able to consider complaints relating to them. As any agreements relating to airtime plans are not regulated consumer credit agreements, this service is generally unable to consider any complaints relating to them. As such, I will not make any comment on any airtime related plans and this decision will focus on the fairness of Three's actions relating to the Fixed Sum Loan Agreements for the two phones only.

In order to say that Three treated Ms A unfairly, I'd need to see evidence that it provided her with false, or unclear, information that led her to believe that by taking out agreement 2, agreement 1 would come to an end with nothing further to pay.

Both Ms A and Three have confirmed that Ms A completed the application for agreement 2 online only. Three has sent screenshots of the online sales process that it says Ms A would have seen at the time. At the top of the page in large bold font it said '**Upgrade today with no fee**' and directly below this it said '*You may be able to upgrade today with no Early Upgrade Fee*' and '*If you have a device plan agreement, you'll need to continue paying this until your balance is paid off.*' Each statement had a link for further information. The following page gave the option to select a new device and provided another reminder that the outstanding balance on any existing device plan would need to be paid.

Prior to signing agreement 2, Three sent Ms A an email confirming her order had not been completed. The email said it contained important documents and information about agreement 2 and asked her to read them before deciding whether to take out the agreement. Shortly after this email was sent, Ms A signed the agreement.

This email contained a copy of the contract summary and terms. Having reviewed the point of sale documents for both agreement 1 and 2, including the signed credit agreements, they contain much of the same information. The pre contract documents and the credit agreement make the total amount repayable clear and state '*You'll be required to make consecutive monthly repayments until you've paid your balance in full.*' Section 3.5 of the agreement said '*If the airtime agreement you entered into at the same time as this device plan agreement comes to an end (including if you or we terminate it), this device plan agreement will be unaffected and you'll be required to continue to make repayments due under it until your loan is repaid in full.*'

In my opinion, Three made it clear during the sale and application process that the balance on the existing device plan agreement would need to be paid multiple times and that this was also clear within the agreement and other documentation that it provided at the time of sale. I'm also satisfied that Three gave Ms A an opportunity to consider this information before making a decision to proceed. And I haven't seen any evidence to suggest that Three

gave the impression that Ms A would have nothing further to pay if she took out a new agreement or traded in her existing device. As such, I'm not persuaded Three provided Ms A with any false or misleading information.

The day after Ms A signed the agreement, Three's fraud team called her. Ms A explained that during this call Three went over everything, but didn't explain that she would need to pay for two device agreements and said that had she been told this she wouldn't have taken out the second agreement. Having listened to the call and seen Three's contact notes, I'm satisfied that the call was from the fraud department to check that Ms A made the order herself. As I'm satisfied that Three had provided clear information in advance of the call and Ms A signing the agreement the day prior, I'm not persuaded that Three treated Ms A unfairly by not discussing the agreements in more depth.

In December 2024, Ms A received an email from Three which confirmed the trade in value payment would be credited to her Three account and said '*The value of your trade-in covers your full device plan balance...*' In my opinion this information was misleading, as it suggested the device plan balance would be cleared, and whilst I have no doubt that finding out that a balance was still owed would've been upsetting, I think Three did enough before Ms A took out the agreement to inform her that any balance would still be owed. And I haven't seen any evidence to suggest she was given alternative information during the sales process. As this email was sent after agreement 2 had been taken out, I don't think it influenced Ms A's decision to take out the agreement and as it was sent after the withdrawal period, I'm not persuaded Ms A would be in a different position now had the email contained more accurate information.

I've also thought about the credit Three applied to Ms A's account for the trade in of the phone subject to agreement 1. The sales journey screenshots provided include a section for trade in. It states '*Either choose to pay less each month towards your new device, or get a one-off payment to your bank.*' I can't be sure of what option was selected, but given Three credited the amount to her account which reduced the amount she owed, I think it's more likely than not that she selected this option and that Three actioned this accordingly. As such, I'm not persuaded that Three treated Ms A unfairly. And even if Three were due to credit this amount to agreement 1, as opposed to agreement 2, I don't think any detriment was caused by it not doing so, given the overall amount Ms A owed to Three would have been the same.

Ms A has explained to this service that she is going through a very difficult time and I understand from Three's notes that she has shared some of this information with Three earlier this year. I won't repeat what Ms A has told us here, as it wouldn't be appropriate, however as it doesn't seem that Three were aware of what Ms A was going through at the time she took out either agreement, I can't fairly say it ought to have done more to support her. And I note that during the sales journey, Three gave the option for Ms A to let it know if she needed any extra support and I haven't seen any evidence to suggest that this was completed. Should Ms A require further support from Three, she can get in touch with it, so Three can offer the most appropriate support. And I'd like to remind Three of its obligations to support its customers that are vulnerable and may be experiencing financial difficulties and would encourage it to work with Ms A to agree a suitable repayment plan for any outstanding balances.

Overall, I think that Three provided Ms A with clear information that by taking out agreement two and trading in her phone, any balance due under agreement 1 would still be payable and so I can't fairly say that Three has treated her unfairly by continuing to collect payments and contacting her about the arrears when payments towards agreement 1 stopped. It follows that I can't fairly ask Three to do anything more.

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 Ms A to accept or reject my decision before 13 January 2026.

Daniella Roberts
Ombudsman