

## The complaint

Mr N complains EE Limited mis-sold him a finance agreement because they provided him with false and misleading information.

## 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.

In 2025, Mr N bought a new phone from an EE store. To help pay for this device Mr N borrowed some money from EE by means of a new fixed sum loan agreement. At the same time, Mr N also agreed to start a new airtime agreement.

After the two agreements started, Mr N raised a complaint about:

- EE failing to explain they would collect two separate direct debit payments - one for the loan agreement and a separate one for the airtime agreement - rather than one combined payment.
- EE failing to explain that if he wanted to upgrade his phone before the end of the finance agreement, he'd need to first pay off the outstanding loan balance. Mr N says that for many years he'd been able to upgrade his phone free of charge at any time. Mr N also says the EE store told him that even though it was a "new style plan" he would still be able to upgrade at any point, and he'd be eligible for a free upgrade in February 2026. But after the loan started he found out this isn't the case.
- Being unable to obtain an employer discount at point of sale. Mr N says EE's process means he's unable to make use of the discount because he's unable to generate the necessary code while attending an EE store.

In summary, EE said in their final response that:

- As part of the sale process Mr N watched a video - where it clearly explained he would be starting two new agreements, which would be paid for by means of two separate direct debit payments. And this was confirmed by the supporting sales literature Mr N received – which included the two respective agreements.
- The terms of the finance agreement state that: *'if you choose to upgrade your plan services and/or device you must repay the full outstanding balance owing under your existing device credit agreement before you can complete your upgrade'*. EE said Mr N had agreed to this term when signing the finance agreement. EE also said they had been unable to find anything to show Mr N had been told in store that this condition didn't apply and he could instead upgrade at any time and for free after a specified date.

- Mr N agreed to go ahead with the new package despite him being unable to benefit from the employer discount. EE said they don't control how the discount code is generated - this was something Mr N would need to ask his employer about. EE also said Mr N would have been ineligible for the discount because the airtime agreement was already benefiting from a 24-month discount and two discounts couldn't be applied to the same overall package.
- EE apologized for only making Mr N aware of the outstanding arrears on his airtime agreement when he first called to query his bills. EE acknowledged that despite Mr N being able to view both his airtime and flex pay contracts, bills and balances via his online EE account and EE app, they ought reasonably to have made Mr N aware of the arrears on his finance agreement as well. As an apology EE credited Mr N's account with 50% of the finance agreement arrears.

Unhappy with EE's final response, Mr N asked the Financial Ombudsman to consider the matter. Our Investigator didn't uphold the complaint. In summary, they didn't believe EE had mis-sold the upgrade package or provided Mr N with false or misleading information. So, they didn't think EE needed to do anything more. As Mr N didn't agree with the Investigator's findings, this 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.

Mr N has made several detailed points in his complaint. I've considered everything he's said and all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this 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 Mr N is complaining about relate to the sale and administration of a regulated credit agreement.

### **Direct Debit payments**

As part of the sales process, EE says Mr N watched a video while at the store – Mr N hasn't disputed this. Among other things, this explained to Mr N that he was agreeing to set up two new agreements - with each having its own individual cost. And this entailed the setting up of two new direct debit mandates, so EE could collect the respective monthly payments. EE says Mr N was also sent confirmation that the new respective direct debit mandates had been set-up. I've not seen anything which would suggest Mr N was told by EE that he would pay a combined payment by means of a single monthly direct debit.

I appreciate why Mr N may have thought he would only be making one payment to EE for the new package. But, on balance, I consider EE made it sufficiently clear to Mr N at point of sale that he needed to make two payments each month – one for each agreement.

Mr N hasn't asked the Financial Ombudsman to look at the missed payments. Nor has Mr N asked us to comment on the offer EE made in relation to them failing to clarify the arrears on the flex agreement when Mr N first called to query his bill. However, in the circumstances, EE's offer in relation to this issue seems fair.

### **Employer discount**

It's my understanding that to obtain the employer discount, EE required Mr N to provide them with a code at point of sale. Mr N has explained he can't generate this in store due to the nature of his job. And as the code is time restricted, by the time he's able to get to a store from work the usable timeframe for any generated code has expired. I appreciate why this would have been frustrating for Mr N. But it isn't clear that EE did something wrong when brokering the credit agreement – it's reasonable they be given a valid code at point of sale.

In any event, it seems Mr N wouldn't have been able to benefit from the employer discount. EE has explained two discounts can't be applied to the same package. In this instance, a 24-month discount had already been applied to the cost of the airtime agreement. I appreciate the flex and airtime comprise of two separate and distinct agreements. So, I understand why Mr N may have thought he could benefit from a discount being applied to each agreement. But EE has explained this isn't the case as they form part of an overall package.

### **Future upgrade**

Mr N says he was told while at the store that he would be able to upgrade his phone each year and he could do so for free after February 2026. EE says this isn't the case. So, where there is a conflict like this, I need to consider what else is available.

I note the terms of the credit agreement Mr N agreed to says that while an upgrade can be applied for, the outstanding balance for the existing credit agreement must first be repaid in full. There is no audio or video recording of the conversation(s) Mr N held in store – this isn't surprising in the circumstances. But it means I'm unable to listen to what either party said or agreed. The terms of the credit agreement and lack of any written evidence to support Mr N's verbal testimony means I find, on balance, that EE is acting fairly when not allowing Mr N to upgrade his phone without him first repaying the full outstanding balance owed under his existing credit agreement.

### **Conclusion**

I appreciate Mr N has strong feelings about what's happened. But based on what I've seen, I don't think EE mis-sold the finance agreement. I'm also not persuaded that EE provided Mr N with misleading and false information. So, for much the same reasons as the Investigator explained in her findings, I'm not instructing EE to take any further action in relation to this complaint.

### **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 Mr N to accept or reject my decision before 6 January 2026.

Carl Bibby  
**Ombudsman**