

The complaint

Mr G has complained that Hutchison 3G UK Limited trading as Three (Three) defaulted and terminated his agreement.

What happened

In November 2024, Mr G entered into a Fixed Sum Loan Agreement with Three for the supply of a new device. The amount of credit under the agreement was £1,464.00 and the agreement had a term of 35 months starting from the date of the first payment, with payments of around £40.50 due each month.

Mr G complained that in June 2025 he received a text message from Three advising that his device plan had been cancelled. He said this was without warning, as he had not received any communication from Three prior to this, leaving him without an opportunity to resolve the payment issue before his agreement was cancelled. He said that he had asked Three to send him evidence it sent the communication, but he didn't receive this or a response to further evidence he sent after the final response was issued. He said he feels that Three breached his agreement as they didn't send notices to his most recent contact details and didn't act reasonably by giving him a chance to resolve the payment issue before cancelling.

Three considered Mr G's complaint and didn't uphold it. Its response listed contact it had made with Mr G about the arrears since January 2025, including text messages, emails, letters and specific arrears notices. It said that as a result of this and because Mr G had not made payments and was unable to clear the arrears, the agreement had been terminated and the full balance of £1,382.66 was due. It advised Mr G to get in touch if he required support.

Mr G responded and explained to Three why he disagreed. Mr G did not receive a response and so he referred his complaint to this service.

Our Investigator looked into the complaint and said that she felt Three's offer of £30 compensation was fair. She said that she didn't think Three acted unfairly when it defaulted Mr G's agreement when it was three months in arrears, noting that the Default Notice was sent to the correct address. She said Three had made contact with Mr G about the missed payments, using the correct email address and that Mr G had contacted Three about a payment plan prior to the account defaulting. She said that Three's offer of £30 compensation was fair for not responding to Mr G's objection to the final response letter, noting that she didn't think there were any additional complaint points to cover and as such she didn't think this impacted the outcome.

Three accepted, but Mr G did not. Mr G maintained that he was not informed or given the opportunity to remedy the arrears and as a result he felt Three had failed to address significant procedural and contractual breaches. He said he felt the compensation offered did not reflect the seriousness of the impact Three's failures had on him. He also raised concerns about Three's lack of response from August 2025, explaining the impact this had on him and a letter it sent to him in October 2025.

As Mr G didn't agree, our Investigator arranged for the complaint to be passed to an Ombudsman to decide. Since then, Mr G provided six call recordings of conversations he had with Three.

Our Investigator reconsidered and didn't change her opinion. She confirmed she listened to the call recordings provided and as a result she felt Mr G confirmed he had awareness of the arrears because of information he shared with the advisor and because he was in contact with Three to set up a repayment plan in April 2025. She acknowledged that Mr G said he didn't receive notification of the arrears, but said that she had seen the required notices were sent to him using the correct details and as such she didn't think Three were responsible for Mr G not receiving them.

As Mr G disagreed with our Investigator's initial opinion, 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.

In considering what's fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time.

My summary above and comments below will focus on what I consider to be the key points to this complaint. Whilst I've considered everything in detail, if I don't comment on a particular point, it's because I don't feel that I need to in order to reach a fair answer on this complaint. It's not meant as a discourtesy, but instead it reflects the informal nature of this service.

This decision will focus on how Three handled Mr G's concerns, as per the complaint he made in June 2025. I will only be considering Three's actions up until the final response letter because the events leading up to this were considered by Three as part of this complaint. Should Mr G want to complain about anything else, he will need to contact Three directly to raise his concerns. Should Mr G be unhappy with any of Three's responses to any further complaints raised, we may be able to consider a complaint if he refers it to us.

The agreement relating to the device in this case is a regulated consumer credit agreement. As such, this service is able to consider complaints relating to it.

Mr G is unhappy with the lack of communication he received from Three and that it defaulted his account. I need to decide whether Three treated Mr G fairly when it defaulted his account.

Mr G agreed to make payments each month to Three under the agreement he had with it. Three has provided a statement of account up until June 2025. This shows that the December 2024 and February 2025 monthly payments were successfully collected via direct debit. The January 2025 and all payment attempts from March were unsuccessful, as the direct debits were returned unpaid. As such, I'm satisfied that the account was in arrears, as the contractual payments were not made on time.

Three has provided a copy of its contact notes, showing all contact made between itself and Mr G. This shows that in February 2025, Mr G got in touch with Three to discuss both his device and airtime agreements and asked to set up a payment plan, which was agreed. The notes state that Mr G informed Three that there was an issue with his wages and that a

second attempt to collect the direct debit would be unsuccessful. The contact notes also show that Mr G got in touch with Three in April 2025 to enquire about a payment plan, but the chat dropped whilst it was being transferred to the relevant team. As such, I'm satisfied that Three did enough to inform Mr G about the arrears and the requirement for payment to be made.

Three has also provided copies of the following communication it sent to Mr G:

- Payment reminders in January, February, March and April 2025, which were sent via email.
- Unsuccessful direct debit notifications in January, April, May and June 2025, which were sent via email. These letters said payment would be attempted again and gave a link for further information if Mr G was struggling with his bills.
- Default Notice dated 29 May 2025, which was sent via the post. This said the agreement was £122.01 in arrears, explaining that this needed to be paid before 19 June 2025. It provided details of how payment could be made and explained the consequences of not making the payment, which were that the full balance would become payable, the agreement would be terminated, debt collectors would be instructed and the default would be registered with the credit reference agencies, which would impact his credit rating. It also provided information about available support.
- Termination Notice dated 19 June 2025, which was sent via the post. This said the total outstanding balance was due. It provided details of how payment could be made and provided information about available support.

All emails were sent to the email address Mr G provided to this service, so I'm satisfied they were correctly sent. All letters were correctly addressed to Mr G, with the contact details he provided to Three when he entered into the agreement, which are the same contact details he provided to this service in August 2025 and as such I'm satisfied they were also correctly sent.

Mr G says he didn't receive this communication and as a result he feels that Three breached terms 7.2 and 8.5 of his agreement. Whilst I can't be sure of whether Mr G received this communication, I'm satisfied that Three sent it to him, using the correct contact information and I can't hold it responsible for him not receiving it. As such, I'm not persuaded that Three breached the terms Mr G referenced, or that it treated him unfairly. And even if I were satisfied that Mr G didn't receive this contact, I'd still need to consider that he was bound by the terms within the agreement he signed, which included the requirement to make monthly payments until the balance was repaid in full, and that he was aware of the arrears prior to May 2025 when the Default Notice was sent.

The relevant guidance, set by the Information Commissioner's Office (ICO), sets out that a default may be registered, when a consumer is at least three months in arrears. When Three sent the Default Notice, the agreement was three months in arrears and as such I can't say that Three acted unfairly. As the payment required to satisfy the Default Notice was not paid by the deadline, I don't find that Three treated Mr G unfairly when it defaulted and terminated the agreement.

I also don't think that Three treated Mr G unfairly by passing the account to a debt collection agency, given the arrears and that the credit agreement set out it would do so in the event of arrears.

Three has an obligation to report accurate information about Mr G's account status and payment history to the credit reference agencies, meaning it was required to report the

missed payments and that the account had defaulted. I've not seen persuasive evidence that Three reported any inaccurate information. Whilst I appreciate the impact this will have on Mr G, I'm unable to say that Three treated him unfairly or ask it to remove any information that it accurately reported.

I appreciate that the issue has caused Mr G a lot of distress and I'm sorry to hear about the impact it's had on him. I understand that this was exacerbated when Three did not provide a response to his post final response letter communication. Like our Investigator, I don't think any further communication about the complaint following the final response letter would have resulted in a different outcome. I say this because I'm not persuaded that Mr G provided any new information that would have changed the outcome of his complaint. And so whilst I can appreciate Mr G was keen for a response, I don't think he has lost out as a result, especially given he referred his complaint to this service soon after the final response letter was issued. I acknowledge that Mr G was caused inconvenience by the lack of response, resulting in him having to chase Three and considering the impact of this, I consider the offer of £30 compensation to be broadly fair. As such, I won't be asking Three to do anything more.

My final decision

Three has already made an offer to pay £30 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Hutchison 3G UK Limited trading as Three should pay Mr G £30.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 February 2026.

Daniella Roberts
Ombudsman