

The complaint

Mr D has complained about the way EE Limited dealt with him when he took out credit agreements to buy devices.

What happened

The circumstances of the complaint are well known to the parties so I won't go over everything again in detail. But, to summarise, Mr D took out two credit agreements with EE in July 2024 to pay for devices. One was for a device that cost around £750, to be paid back with repayments over three years of around £20. The other device cost around £975 and was to be paid back with repayments of around £27 over three years. Mr D said at the same time he renewed his airtime contracts. Mr D said EE assured him his package would remain the same including the retention of his 50 UK to anywhere minutes. He said EE quoted him a lower amount than what he was then charged.

Mr D said EE told him if the misquotation was confirmed it would move him to a plan with 100 worldwide minutes free of charge at no additional cost as the 50 UK to anywhere minutes were no longer available. Mr D said EE didn't initially get back to him, but in July EE offered a 50% discount on his airtime plans and confirmed the addition of 100 worldwide minutes and he said this was presented as a permanent solution.

Mr D said he raised further concerns in August 2024 about a billing discrepancy. He spoke with EE again. He said EE offered him £75 and a six-month discount which was contrary to the permanent solution offered previously. He was unhappy with the offer. He said his complaint was primarily about two issues – the initial mis-selling, and the withdrawal of the offer. He referred his complaint to the Financial Ombudsman and requested:

- EE honour the resolution agreed in July 2024.
- EE refunds any overcharges based on the difference between the quoted resolution price and the amounts charged.
- EE makes sure the 50% discount on the two lines and the 100 worldwide minutes are applied for the duration of the contract.
- EE removes the unexpected flexi pay devices charge (the credit agreements).
- EE improve staff training to prevent similar issues in the future.

EE had sent a final response in October 2024. It set out it gave Mr D incorrect information about the monthly cost of the lines. The two lines were for numbers ending 485 and 507. Mr D said he had 50 international minutes as part of his contract for those numbers. EE said in its final response that particular bundle was no longer available and so it added a 50% discount to the line rental and added 100 worldwide minutes to both those numbers for £14.05 per month. EE acknowledged things went wrong. But it said Mr D had accepted the credit agreements. It said it thought the six month £9.50 discount on the two affected lines was fair. It also highlighted Mr D was receiving a £20 discount per month on both lines due

to him being a broadband customer. EE also said it would allow Mr D to return the devices for the numbers ending 485 and 507 if he preferred.

Our investigator thought the overall offers were fair. And that there was a limit to what we could consider in relation to airtime agreements.

Mr D responded to say he wanted to know if he'd be returned to his previous plan with the same terms and pricing if he handed back the devices. He also said his complaint wasn't simply about being misinformed. He said he was given assurances his plan would remain unchanged. He said this wasn't in dispute and that the issue is not whether misinformation occurred, but rather how EE puts things right. He said he was never informed the 50% discount would be temporary for 6 months. He said his primary concern was making sure his 50 UK to anywhere minutes remained when he took out the contracts, and that it was impossible to determine what he would have done had he been given the correct information. He said EE's offer didn't restore him to the position he was in before taking out the contracts.

I issued a provisional decision that said:

I want to acknowledge that I've summarised the events of the complaint. I don't intend any courtesy by this – it just reflects the informal nature of our service. I'm required to resolve complaints quickly and with minimum formality. I want to assure Mr D and EE that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr D bought the devices using regulated fixed sum loan agreements, and our service is able to deal with complaints relating to these sorts of agreements. Events that primarily relate to the airtime agreements are not generally the sorts of complaints the Financial Ombudsman deals with. But given EE spoke to Mr D about airtime costs during the negotiations for the credit agreements, I need to have regard to what was discussed.

It's important to set out up front that even if the complaint was upheld, I'm unable to make an award for loss of amenity so if Mr D was looking to pursue this aspect of the complaint, he may wish to seek independent legal advice because I can't cover it in a decision.

I don't find there's grounds to say that EE is acting unfairly by seeking money from Mr D under the regulated credit agreements. The credit agreements I've seen are electronically signed. I think it likely Mr D signed them and it would lead to unjust enrichment if I were to direct EE to cancel the loans and direct EE to give the devices to Mr D for free. I'm also conscious EE did offer to allow Mr D to hand back the devices to cancel the agreements if he wanted. I don't find I have the grounds to direct EE to cancel the credit agreements.

With regards to what happened with the airtime, as I've said, our service isn't generally set up to deal with airtime disputes. However, I agree with Mr D that the airtime was discussed when he was negotiating with EE about entering into credit agreements. So I think I can fairly have regard to what happened.

It doesn't seem to be in dispute EE misled Mr D that his airtime would remain the same. What's left in dispute is what needs to be done to put things right. It's not totally clear what Mr D would have done had EE not misinformed him. As I've said, EE tried to offer a compromise by allowing Mr D to hand back the devices. While I think it should have been clearer about the exact nature of the offer, I think the offer was broadly fair (of allowing Mr D to hand back the devices and have the associated credit agreements ended). But I also understand why the offer maybe wasn't appealing to Mr D given he no longer had the

previous devices. It wouldn't always be fair to direct a respondent firm to honour a misrepresentation. The usual remedy for misrepresentation would be to put the complainant back in the position they'd have been in had the misrepresentation not occurred. The problem in this case is that it's not possible to do that. The 50 UK to anywhere add on was no longer available, and Mr D no longer had the previous devices.

I've thought about how things could be put right quickly and informally. Prior to taking out the new agreements EE said Mr D was paying £8.44 for his 50 UK to anywhere minutes on the numbers ended 485 and 507. Since upgrading he was asked to pay £14.05 for 100 worldwide minutes. While he's getting more minutes, he was happy with what he had before and didn't expect there to be an extra cost.

The difference between what Mr D wanted and what he ended up with financially (for the worldwide minutes) is £5.61 per device – £11.22 in total. Prior to upgrading, Mr D was getting a discount on numbers ending 485 and 507 that broadly offset the cost of the 50 UK to anytime add on. Since upgrading, Mr D received a £20 discount added because he was a broadband customer. EE has said the network terms Mr D agreed to set out that discounts can end when the discount period ends; when a minimum term comes to an end; when a renewal or upgrade takes place; or where there's a price plan charge discount because the customer has another agreement with it (such as broadband). I think EE can rely on those sorts of terms but I also think EE should have been correct in what it informed Mr D over the phone.

Mr D was paying £45.65 for both airtime agreements in June 2024 before the upgrade. Taking off the extras he's added, aside from the worldwide minutes, his bills on both airtime agreements since the upgrade are £34.55, and he has 50 extra worldwide minutes included, albeit not what was originally intended. It seems Mr D is in a better position since taking the upgrade, despite not being adequately informed. On balance, had the offer been presented to Mr D correctly, I think he'd have agreed to proceed with it.

EE gave Mr D £9.50 per month discount on each line for 6 months. This totals £114. And it offered £75 in relation to the contact Mr D had to make to try to resolve things. Having taken a step back and carefully reflected on the situation, I think this seems broadly fair.

It's important to note that I'm primarily required to consider what happened up to the point EE sent its final response letter because the events preceding this relate to what it's had the chance to formally consider.

The total compensation EE has provided is in line with what's awarded when the firm's error has caused the complainant more than the levels of frustration and annoyance they might reasonably expect from day-to-day life, the impact has been more than just minimal and an apology isn't enough. I think it's reflective of where there's been a larger mistake that has required a reasonable effort to sort out. We don't usually make a specific award for someone's time, or calculate it using a set amount like an hourly rate. But I can factor in the inconvenience Mr D may have experienced spending time dealing with the matter.

Overall, I think EE did make a mistake when negotiating the upgrade deals. This doesn't seem to be in dispute. And I think this would have upset Mr D and caused him some distress and inconvenience having to sort things out. I think EE responded within a reasonable time. But I can understand Mr D was unhappy because he thought he was receiving conflicting and/or incomplete information from EE. However, I'm conscious Mr D is now paying less for the airtime than what he was before, with more worldwide minutes included. EE's total compensation offer is nearly £200. I think that seems broadly fair. And so my provisional decision is that, to the extent not done so already, EE should pay Mr D £75. The 6 monthly discount has already been applied so it doesn't need to take further action.

I can't see we received a response from EE. Mr D responded to say at no stage did EE indicate that the 100 worldwide minute substitute for his 50 UK to anywhere minutes would apply for six months. He asked if I could reconsider the duration of the 100 worldwide minutes. He also said prior to upgrading he paid for the 50 UK to anywhere minutes, and the discount was provided by EE due to a billing error. Mr D said if I wasn't minded to adjust the limited aspect of the remedy he would accept the provisional 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.

I'd like to thank Mr D for his response. I appreciate what he's saying and that I understand why he thinks EE could have been clearer and/or that it changed its position on the remedy. But I've not been provided anything materially new to consider so I see no reason to depart from the conclusions I reached in my provisional decision. When taking a step back Mr D is paying less for his airtime than he was before, and I think the total compensation seems broadly fair in the circumstances in recognition EE should have handled things better.

My final decision

My final decision is that EE Limited's offer was fair, and it should pay Mr D £75 to the extent not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 29 December 2025.

Simon Wingfield
Ombudsman