

The complaint

Mr R has complained about issues he's experienced with a mobile phone supplied under an agreement with Entertainment Magpie Limited trading as Music Magpie "Music Magpie".

What happened

In August 2025 Mr R was supplied with a refurbished phone and entered into a hire agreement with Music Magpie. The agreement was for a term of 12 months.

The following month, in September 2025 the phone stopped working due to a block being placed on it.

Mr R complained to Music Magpie who stated the phone needed to be returned to them so that the agreement could be terminated. Mr R was unhappy with this as he wanted a replacement phone.

Mr R then brought the complaint to the Financial Ombudsman. Our investigator recommended the following:

- The phone should be returned to Music Magpie, at no cost to Mr R
- The hire agreement should be unwound
- Music Magpie should refund any rental payments taken after 25 September 2025
- Music Magpie should pay Mr R £100 in distress and inconvenience

Both Mr R and Music Magpie disagreed with this resolution.

Mr R is unhappy with the proposed resolution of returning the phone and unwinding the agreement, as he feels Music Magpie should either repair the phone or replace it. Mr R also felt an award of £250 was a fairer reflection of the distress suffered in this instance.

Music Magpie disagreed with the resolution as they felt the award for distress and inconvenience was unfair given the terms and conditions of the hire agreement.

As things couldn't be resolved, the complaint has been passed to me to make a 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 R's complaint is about the supply of a phone through a hire agreement. This was a regulated agreement, and one which this service has the power to consider a complaint about.

Under the relevant law there's an implied term that the phone is of satisfactory quality and fit for purpose. Whilst the phone in this instance was not a brand new phone, I think it's fair say that it would be reasonable to expect a refurbished phone such as that supplied to Mr R in this instance, to be usable for its intended purpose for a reasonable period of time.

Mr R used the phone for around a month before it stopped working. All parties appear to be in agreement that the phone is not working and that the cause of the fault is due to the

phone being blocked by a third party network provider I'll refer to as "B". The phone has remained unusable ever since this block was placed on it.

Whilst Mr R and Music Magpie differ on what they feel the fair remedy should be in this instance, there doesn't appear to be a dispute that the phone is unusable and that it is unreasonable for Mr R to have to continue to pay for goods which stop being operable so soon after being supplied to him. So I think it's reasonable that Music Magpie are liable for resolving this issue.

I appreciate Mr R feels that the appropriate remedy should be that Music Magpie either repairs the phone, or provides him with a like replacement, rather than him having to hand the phone back and have the agreement unwound. Repair and replace are potential remedies available to a consumer, so I can understand why Mr R feels strongly about this.

However, there are challenges in place which make both of these potential remedies problematic for Music Magpie.

When considering whether Music Magpie could reasonably arrange repair, it's important to note that Music Magpie are not the party who placed the block on the phone, as it was B. This makes it more difficult for Music Magpie to resolve the issue. Music Magpie have explained that because of this, it is not possible for them to remove the block remotely. Given these issues, I would agree that it is impractical for Music Magpie to effectively repair the issues with this particular phone.

When considering whether a replacement phone could be sourced by Music Magpie, there are challenges with this remedy too. The phone supplied to Mr R was a refurbished model, which stopped working around one month after supply. So finding an exact match in terms of the age of the phone, the general condition, and specifications would be disproportionately challenging for Music Magpie in this instance.

Given the challenges involved for Music Magpie in providing a repair or replacement, I think rejection of the phone is the fairest resolution here, and so I don't think Music Magpie are acting unfairly in offering this particular remedy.

I can see that because of the issues with the phone Mr R hasn't been able to use it from September 2025. So taking everything into account, Mr R should get a refund of any payments he's made towards the hire agreement from 25 September 2025, as it's not reasonable for Music Magpie to keep applying charges to Mr R for a phone that he's been unable to use.

Mr R has described the impact all of this has had on him. He's been without a usable phone which will have caused understandable inconvenience to Mr R, as he's told us he doesn't have another phone to use. He's had to contact Music Magpie on multiple occasions to raise these concerns which would have been distressing and would have taken time and effort. Overall, having considered the impact of this situation on Mr R, I think it would be fair for Music Magpie to pay £100 compensation to reflect this. Whilst I note Mr R has explained why he feels a higher award of compensation should be considered, I'm not persuaded that would be proportionate here. I say this because Music Magpie did offer a reasonable remedy to the solution by sending out a return pack allowing for the faulty phone to be returned to them, to allow Music Magpie to unwind the agreement.

Music Magpie have raised concerns about the inclusion of a distress and inconvenience award here, by referring to their terms and conditions.

For the reasons I've already explained, Music Magpie supplied Mr R with a phone which became unsuitable for its intended purpose very quickly after supply. As a direct result of that breach, Mr R has experienced distress, as I've set out above.

Had Music Magpie supplied Mr R with a phone without these issues, the impact on him would have been avoided. I've not seen anything in Music Magpie's terms which prevents

me from making a compensation award in relation to this. So I think Music Magpie should pay Mr R £100.

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Putting things right

To put things right, I require Music Magpie to:

- Arrange for the phone to be returned to them, at no cost to Mr R;
- End the hire agreement, and remove record of it with credit reference agencies;
- Refund to Mr R any rental payments taken after 25 September 2025;
- Pay Mr R £100 in distress and inconvenience

My final decision

My final decision is that I uphold this complaint and direct Entertainment Magpie Limited trading as Music Magpie to put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 March 2026.

Jonathan Wistow
Ombudsman