

The complaint

Mr P has complained that Vodafone Limited (Vodafone) is holding him liable for a credit agreement that was taken out to buy a device and that it has placed negative information on his credit file.

What happened

On 16 January 2025, Mr P entered into a Fixed Sum Loan Agreement with Vodafone, for the supply of a device. The amount of credit under the agreement was £1,152.00, £40.00 was paid upfront and the agreement had a term of 36 months, with payments of £32.00 due each month.

After several calls to Vodafone on 31 January 2025, in which Mr P was advised that he was outside of the 14 day period to cancel his agreement, his request to withdraw from the agreement was accepted. The notes say Mr P was provided with information about the return and he was sent a text message and email which said he had to send the device back within 14 days and gave instructions on how to do so.

Over the months that followed, the device was not returned to Vodafone and payments were not made towards the agreement. Vodafone made Mr P aware of the arrears and several conversations took place about the need to return the device in order for the cancellation to be processed.

In April 2025, Vodafone sent Mr P a Default Notice, setting out that the agreement was £96 in arrears, explaining that this needed to be paid before 29 April 2025. It said the consequences for not doing so may be that the default would be reported to the credit reference agencies, a debt collector would be instructed to recover payment, his device plan would be terminated resulting in him owing the full outstanding balance and that it might start legal proceedings. As payment was not made, the agreement was terminated on 30 April 2025, debt collectors were instructed and a default was recorded.

Around the same time the agreement was terminated Mr P made Vodafone aware of a change to his employment status and at the end of May 2025 he let it know that he had been unable to return the handset due to a family emergency.

Mr P raised a complaint. In response, Vodafone summarised the contact it had with Mr P, noted that it had previously given a credit to his airtime account as a gesture of goodwill, and said that as the device had not been returned, it had correctly instructed a debt collection agency and the reporting to his credit file was accurate. Unhappy with this response, Mr P referred his complaint to this service for an independent opinion.

Our Investigator considered the complaint, confirming she was only investigating concerns raised about the first device agreement Mr P entered into and no other agreements. She acknowledged that Mr P was experiencing some challenges and had notified Vodafone of this in March 2025, but said that as the device was not returned within the required 14 days of the cancellation request, a requirement Vodafone had made clear to Mr P, the agreement

had not been cancelled. She said that despite this Vodafone had been willing to accept the return after the 14 days had passed.

She was satisfied that Vodafone acted fairly when it defaulted the agreement due to non-payment. She acknowledged that Vodafone said it could have offered more support when Mr P informed it that he had been made redundant, but said that even if it did, she thought the arrears would likely have accrued, which would have still resulted in the agreement defaulting. She said that she felt Mr P's legal change of name didn't absolve him from his responsibilities under the agreement. She noted Vodafone made an offer to terminate all airtime agreements as a result of it not offering support sooner and advised Mr P would need to contact Vodafone to accept the offer.

Mr P didn't accept. He said that as his cancellation request was accepted, there was no contract and as such Vodafone were unable to report that the agreement had defaulted. He said he made multiple attempts to ask Vodafone to accept a £1,000 payment to clear the debt and instead it sent a deadlock letter and wouldn't communicate with him further, and as such Vodafone shouldn't add continuous default markers to his credit file. He offered to clear the debt and asked for this to be put to Vodafone.

Vodafone didn't accept Mr P's offer. It said it would not amend Mr P's credit file to reflect a perfect payment history, having given Mr P multiple opportunities to return the device, outside of its 14 day policy. It said the option to return the device was removed as the device was being used on another network. It said that once the balance was paid, then the agreement would be reflected as settled on his credit agreement. It declined to remove the default from his credit file, noting this would be false reporting and may be deemed irresponsible.

Our Investigator reconsidered and her opinion remained the same. She said she didn't think it was reasonable for the contract to be cancelled when the device was in Mr P's possession, that he was aware the device needed to be returned for cancellation to be completed and that she wasn't persuaded he had challenges in returning the device for the whole time since requesting cancellation. She said she had seen no evidence that he offered a £1,000 payment, but regardless as this would have been after the agreement had defaulted, the default would remain on his credit file.

As Mr P 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.

Where evidence is incomplete, inconsistent or contradictory, as some of it is in this case, then I've based my findings on the balance of probabilities, i.e. what I think is most likely in the circumstances of this complaint.

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.

For the avoidance of doubt I'm looking at the first agreement Mr P took out on 16 January 2025. I note that Mr P has mentioned two other device agreements, which he took out in the weeks that followed him entering into the first agreement, but it seems any

concerns relating to the other agreements have fallen away. I say this because Vodafone looked at a complaint about the first agreement only, as did our investigator. And on the complaint form Mr P only mentioned the first agreement and hasn't clearly told us he is unhappy about the other two, even after our Investigator made it clear why she was only considering a complaint about the first agreement. As such, I'll only be considering the concerns raised about the first agreement defaulting.

This decision will focus on how Vodafone handled Mr P's concerns, as per the complaint he made in May 2025. I will only be considering Vodafone's actions up until the final response letter because the events leading up to this were considered by Vodafone as part of this complaint. I therefore will not be considering any of Vodafone's actions after the July 2025 final response letter, including whether it is fair to hold Mr P liable for a debt when he has changed his name. Should Mr P want to complain about the other two agreements, or anything else, he will need to contact Vodafone directly to raise his concerns. Should Mr P be unhappy with any of Vodafone'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.

I can see that when Mr P initially complained to Vodafone, it made an offer to credit his airtime account. After referring his complaint to this service Vodafone made an offer to cancel all the airtime agreements Mr P had with it, as it recognised it could have provided him with more support sooner. As any agreement relating to airtime is not a regulated consumer credit agreement, this service is generally unable to consider any complaints relating to them. As such, I will not make any comment on any airtime related agreements, or offers that have been made in relation to any concerns raised about the airtime agreements and this decision will focus on the fairness of Vodafone's actions relating to the device agreement only. Should Mr P want to discuss any offers made in relation to the airtime agreements, he will need to contact Vodafone separately about them.

Mr P is unhappy that Vodafone did not cancel his agreement when he asked it to and that it then went on to default his agreement. I need to decide whether Vodafone treated Mr P fairly by not ending his agreement and defaulting it.

Mr P signed a credit agreement and in turn he agreed to be bound by the terms of that agreement. Section 6 of the agreement contained right of withdrawal information. This said:

*"6.1. You have the right, under section 66A of the Act, to withdraw from the Device Plan without giving any reason by notifying us before the end of fourteen (14) days beginning with the day after: (a) the day on which this Device Plan is made; (b) the day on which you receive a copy of your Device Plan which has been signed by you and us; or (c) the day on which you receive your Equipment (whichever is later) ("**Withdrawal Period**"). If you withdraw from your Device Plan during the Withdrawal Period, we will treat the Device Plan as if it had never been entered into and we will also terminate your Airtime Plan.*

6.2. If you withdraw from this Device Plan during the Withdrawal Period and... if you do not want to keep the Equipment and want to return it to us within the Withdrawal Period, you must (a) exercise your right to cancel your order under the Equipment terms in your Airtime Plan, (b) take reasonable care of the Equipment and (c) return it in accordance with our Returns Policy (available at www.vodafone.co.uk/returns). If we reject your return of the Equipment (in accordance with the terms of our Returns Policy) you will have to repay to Vodafone the amount of credit provided to finance the purchase of your Equipment."

The returns policy referenced in Section 6, provides further information and under 'Our 14-day Change of Mind Policy' section it says:

“6. Our 14-Day Change of Mind Policy gives you 14 days to change your mind, whatever the reason.

7. If you wish to cancel (also referred to as 'return') or exchange your product/service under the 14-Day Change of Mind Policy, you must let us know within 14 days (“Change of Mind Request”) from when you receive your product/service...

8. If your cancelled purchase includes products (e.g. devices, accessories and /or equipment) you must return this to us within 14 days of your Change of Mind Request.”

It's not in dispute here that Mr P made a request to withdraw from his credit agreement. He says he made the request in time and Vodafone say it was made one day late. Having reviewed the information provided, I'm satisfied that Mr P made his request on 31 January 2025, more than 14 days after receiving the device, but regardless Vodafone accepted his request.

Once the request was accepted Mr P had 14 days to return the device in order to withdraw from the agreement. Based on the evidence provided I'm satisfied that Vodafone made this clear to Mr P on several occasions, on the phone and in writing. Vodafone's notes say that Mr P confirmed he was aware of the need to return the device, had received the labels to return the device and would do so. However, Mr P has confirmed that he did not return the device. As such, I'm not persuaded the withdrawal terms had been satisfied. It follows that I'm not persuaded that Mr P withdrew from the agreement and therefore don't find that Vodafone treated him unfairly by not bringing his agreement to an end and holding him liable for the payments due under it.

Mr P has explained that he was unable to return the device due to a family emergency and had difficulties in doing so. I'm sorry to hear about the difficult time Mr P has been through. I can't see that he made Vodafone aware of the need for any additional support until around two months after the return deadline passed, so I can't say it treated Mr P unfairly by not exploring other options before then. That being said, Vodafone allowed Mr P much more time to return the device, having confirmed it was still willing to allow the device to be returned over two months after the 14 day return deadline passed. This isn't something Vodafone had to do, given its terms and conditions, and instead I think it did so to support Mr P. Even if Vodafone had been aware of Mr P's vulnerabilities prior to March 2025, I think the action that it took was fair, as it gave Mr P more time to enable him to take the action required to withdraw from the agreement. As such, I'm not persuaded it treated Mr P unfairly.

I note that whilst the issue was ongoing, Vodafone made a credit to a separate agreement of Mr P's. Mr P says that it was after this he received the Default Notice and so he feels Vodafone breached its own offer. As the offer relates to an airtime agreement I will not comment on it, as this is a separate, unregulated, agreement. Whilst I appreciate conversations about both the airtime and device agreement arrears took place during some of the same conversations, I'm not persuaded the offer was in relation to any errors Vodafone made in relation to the device agreement, or that Vodafone gave Mr P incorrect information about the status of his device agreement. Therefore in light of what I've said above, I don't think that Vodafone treated Mr P unfairly by defaulting his agreement after it made the offer.

I note that there is a suggestion in Vodafone's notes that in June 2025 Mr P was told a credit would be made to his device plan. I've thought carefully about the impact of this, but given this was after the agreement had defaulted and after Vodafone had made it clear on several occasions that Mr P needed to return the phone to end the agreement, I don't think any incorrect information given on that occasion has been detrimental to Mr P. As such I will not be asking Vodafone to do anything more.

Considering everything I'm not persuaded that Vodafone acted unfairly by not bringing Mr P's agreement to an end, given Mr P did not return the device.

Mr P did not make any payments towards the device agreement, which resulted in arrears building. Vodafone made a lot of contact with Mr P about the arrears, and he assured Vodafone that he was returning the device and ending his agreement. 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 Vodafone sent the Default Notice, the agreement was three months in arrears and as such I can't say that it acted unfairly. As the payment required to satisfy the Default Notice was not paid by the deadline, I don't find that Vodafone treated Mr P unfairly when it defaulted and terminated the agreement.

I note that Mr P provided Vodafone with information about a change to his employment around the same time that the default expired, but as the deadline for the Default Notice to be satisfied had passed, I'm not persuaded that Vodafone treated him unfairly by going onto terminate his agreement. I also don't think that Vodafone treated Mr P unfairly by passing the account to a debt collection agency, having given Mr P notice that it may do so.

Vodafone has an obligation to report accurate information about Mr P's account status and payment history to the credit reference agencies, meaning it was required to report the missed payments and that the agreement had defaulted. I've not seen persuasive evidence that Vodafone reported any inaccurate information. Whilst I appreciate the impact this will have on Mr P, I'm unable to say that Vodafone treated him unfairly or ask it to remove any information that it accurately reported.

Customer service

Mr P has said that when he raised a complaint he found the complaint handler to be rude, unhelpful and didn't adhere to his request to speak to a manager. I haven't seen any evidence to suggest that the complaints handler treated Mr P unfairly. Whilst I can understand his disappointment in not receiving the answer he was hoping for, I think Vodafone clearly explained why it reached the answer it did and treated Mr P fairly by bringing an end to the matter, rather than continuing discussions.

Mr P has said he was treated unfairly when he was blocked from making payment towards the agreement, after he made a £1,000 offer to clear the agreement, and feels that Vodafone issued a final response letter to avoid further communication. I haven't seen any persuasive evidence of Mr P making the £1,000 offer to settle the agreement, but even if he did I wouldn't have considered it unfair for Vodafone to reject this offer, considering the outstanding balance was more than this. And even if the payment was accepted, the default would still show on his credit file, given this would be an accurate reflection of the account.

I'm also not persuaded that Vodafone treated Mr P unfairly by issuing the final response letter, given that Mr P raised a complaint. Mr P raised a complaint around four months after taking out the agreement, and a final response letter was issued around six months after taking out the agreement, during which time he was still in possession of the phone and had not made any payments towards the agreement. I don't think it was unreasonable for

Vodafone to withdraw its offer to allow Mr P to return the phone, given the amount of time that had passed. I'm satisfied that Vodafone acted fairly by bringing an end to the matter.

Overall, I think Vodafone tried to support Mr P and I'm not persuaded it treated him unfairly. It follows, that I will not be asking it 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 Mr P to accept or reject my decision before 19 February 2026.

Daniella Roberts
Ombudsman