

## The complaint

Ms S has complained about the administration of a fixed sum loan agreement with Sky UK Limited.

## What happened

The circumstances of the complaint are well known to the parties, so I'm not going to go over everything again in detail. In summary, Ms S entered into a fixed sum loan agreement with Sky in September 2021. She bought a phone which cost around £870 and agreed to make 34 repayments of around £26 followed by 12 repayments of £19.

In March 2024 Ms S' direct debit due under the agreement was returned unpaid. Sky sent Ms S emails and text messages to request payment. Further payments for April and May 2024 were also missed. Sky recorded missed payments on Ms S' credit file as a result. Ms S said she was abroad and contacted Sky in May 2024 and cleared the outstanding balance.

Ms S said that she complained to Sky but said that it referred her back to her bank and didn't accept responsibility for the initial failed direct debit payment. Ms S said that after contacting Sky several times including in October and December 2024 and raising complaints which weren't addressed, Ms S wrote to Sky in March 2025 and escalated her complaint by sending a complaint letter. Ms S said that she told Sky about the impact the adverse information had on her credit file. She also contacted Sky through the credit reference agencies for a correction, but this was declined.

Ms S said that she was told conflicting information about the reasons why the initial direct debit was returned unpaid, like there being insufficient funds in her bank account but also acknowledgement from Sky that this wasn't the case. She asked for clarification on why Sky didn't reattempt take the direct debit when its states on its website that it would. Ms S complained that Sky had failed to reattempt the March 2024 direct debit, despite writing on its website that it would do so, and that this failure led to missed payments and the adverse information recorded on her credit file. She wanted Sky to rectify the late payments recorded.

In response to Ms S' complaint, Sky acknowledged that it didn't attempt to resubmit the direct debit, and the mandate was cancelled on its systems for an unknown reason. It said to resolve the matter it would remove the late payment markers between March and May 2024 and offered £50 compensation, which it later increased to £100, it also agreed to refund Ms S the postage costs she incurred when she sent her complaint letter.

Ms S remained unhappy, and she referred her complaint to the Financial Ombudsman. She said that the late payment markers impacted her ability to purchase a property and she incurred costs as a result. She also said she was unhappy that Sky accepted that it had made an error and she wanted the compensation offered to be reviewed.

An investigator considered the complaint and said he thought the resolution offered by Sky was fair. Ms S didn't agree with the investigator's assessment and wanted an Ombudsman's decision.

As the matter remains unresolved it 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.

I want to acknowledge that I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I want to reassure Ms S and Sky 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. I also want to highlight that I'm expected to decide the complaint quickly and with minimum formality setting out what I think is fair and reasonable, which I think is important to set out here.

Where evidence is incomplete I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

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

Ms S has mentioned a bereavement in her correspondence to this service. I'd like to extend my condolences and I'm sorry to hear of the matter.

I understand Ms S is unhappy with the offer made from Sky to remove the adverse information and compensation of £100. She said that it was as a result of Sky's actions that led to her missing payments and as a consequence it impacted her ability to buy a property, and it caused her distress and inconvenience. I've considered if Sky has acted fairly and reasonably in handling this matter.

I've reviewed the bank statements for Ms S' current account which the direct debit was to be collected. These show that on 22 March 2024 the account balance was £38.94. However, there were post-dated transactions dated 20 and 21 March 2024 totalling £21.63.

Taking this into account, I consider it more likely than not that there were insufficient funds available at the time the direct debit was presented on 22 March 2024 for the payment of £19 to be made. I think, on balance it's unlikely that it was as a result of Sky's actions the first direct debit was returned unpaid. I'm more persuaded that a late payment marker would have been recorded as a result.

I've also considered that Sky states that it will attempt to take the payment again if the first direct debit is returned unpaid. Whilst Sky has accepted that it didn't reattempt to take the direct debit again, it says this was because the direct debit was cancelled for an unknown reason. I've thought of potential reasons why this may have happened such as Ms S cancelled the direct debit, her bank cancelled the direct debit, or it may be because Sky cancelled the direct debit.

In the absence of information from Ms S' bank and clear information from Sky I've thought about the actions Sky took once the payment failed.

I can see Sky sent Ms S a number of communications by email and text. Ms S has said that one of the text messages said that her bill payment was changed to invoice and didn't have any details to explain this was a result of the direct debit failing. However, I can see that Sky

also sent a message to say that there was an error with the payment details and the payment was overdue. It also sent emails to say that there was an outstanding balance when payments weren't made in April and May 2024 and sent Notices of sums of arrears. I understand Ms S said that she was abroad and didn't have access to emails. While I accept it may have been difficult to access her email or contact Sky, I don't think it's reasonable to hold Sky responsible for Ms S' inability to access the communications and I think it sent her correspondence as it was required to.

Ms S remained contractually responsible for ensuring her monthly repayments were made. I'm satisfied that Sky took reasonable steps to notify her of the missed payments and gave her opportunities to resolve the issue. The terms and conditions of the loan agreement states the consequences of missing payments. Where the payments were missed and the account balance wasn't cleared until May 2024, I don't think it was unfair for Sky to report an accurate reflection of the payment history on the account.

However, Sky has agreed to remove the late payment markers as a way to resolve the complaint, and it acknowledged that Ms S raised her concerns about her credit file in October 2024 and it could have managed this better. Although it's not entirely clear why the direct debit was cancelled following the first payment attempt in March 2024, I think Sky has taken steps to resolve the matter fairly. I'm not satisfied that the late payment marker shouldn't have been recorded in March 2024. I've also noted the impact Ms S said it had and the financial loss she had as a result, but I can't safely conclude that this was as a result of Sky's actions or that the losses Ms S said she had was as a direct consequence.

I can also see that Ms S contacted Sky a number of times to raise her concerns about the information recorded on her credit file and I agree that Sky should have dealt with this sooner. However, I think Sky's removal of the late payment markers and the £100 compensation is a fair way to resolve the complaint and is a fair reflection for the delays Ms S experienced.

### **Putting things right**

Sky and Ms S have confirmed the information recorded on her credit file has been removed. I think the £100 compensation Sky has offered is fair and reasonable and I don't require it to do anything else to resolve the complaint.

### **My final decision**

I uphold this complaint and direct Sky UK limited to pay Ms S £100 if it hasn't already done so. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 19 February 2026.

Amina Rashid  
**Ombudsman**