

## **The complaint**

Mrs D is unhappy that Sky UK Limited have reported her fixed sum loan agreement as defaulted to the credit reference agencies (CRAs), and she is unhappy with Sky's engagement with her.

## **What happened**

In October 2023 Mrs D took out a fixed-sum loan agreement with Sky to pay for a mobile phone handset ('the device'). The loan term was 24 months, with 12 monthly payments of £70.58 and then 12 monthly payments of £47.75. The agreement was arranged on a 0% interest rate.

At the same time Mrs D had a separate network contract with Sky.

Around April 2024 Mrs D experienced network problems and complained to Sky, later referring her concerns about the network to a separate arbitrator who found in her favour in mid-December 2024.

Due to the network problems Mrs D didn't wish to pay for parts of her financial commitments to Sky at that time and as a result of this it meant no payments were made to the loan from August 2024 either.

Because Sky received no payments to the loan agreement for several months the account was reported as defaulted and terminated in mid-December 2024. Mrs D raised a complaint with Sky about this, and Sky upheld Mrs D's complaint and offered to remove the default from Mrs D's credit file if Mrs D cleared the arrears on the loan account or repaid the outstanding loan balance in full. Sky also said they would reduce the sum due (in either instance) by £100 to reflect some shortcomings in their service.

Mrs D didn't accept this as a resolution.

Our Investigator considered the matter and concluded Sky's offer was fair in the circumstances, but Mrs D disagreed.

## **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 assure both parties that while I have only included a summary of what has happened above, I have reviewed all the available evidence and submissions. And while I may not respond to every individual point either party has raised, this is because I have focused on what I consider relevant to reaching a fair and reasonable resolution in this matter.

To reach a fair and reasonable decision I have taken into account any relevant law and regulations, regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I make clear that it is not my role to fine or punish a firm, or to interfere with a firm's systems, processes or controls – these are all considerations for the appropriate regulator.

Having considered the complaint, I have reached the same outcome as our Investigator for broadly the same reasons. I realise this will be disappointing for Mrs D as I am sorry to hear her circumstances are currently not easy for her and the default being reported is impacting her personally and financially. I must however consider what, in the circumstances, is fair to both parties.

For the avoidance of doubt, and as our Investigator explained, the considerations under this case are limited to the loan agreement, and something our service has the authority to consider. I cannot consider Mrs D's network agreement which is a different and separate type of agreement, and which has already been considered by the appropriate dispute resolution scheme.

At the heart of this matter therefore is whether Sky were entitled to report the loan account as defaulted when they did and whether it was fair of them to do so.

The Information Commissioner's Office (ICO) sets out guiding principles for the reporting of arrears, arrangements and defaults to the CRAs. The ICO's principles set out if an expected payment is not made by the agreed time and / or for the agreed amount according to the terms and conditions of the account, then the account can be reported as being in arrears.

The principles set out a default may be recorded usually when the account is three months in arrears, and normally by the time the account is six months in arrears.

Given no payments were made towards the loan agreement for several months from August 2024, I think it reasonable to say Sky were entitled to report the account as defaulted when they did.

I think Mrs D more likely than not received the Notice of Default issued in November 2024 as this was correctly addressed and Sky's internal records support correspondence sent to Mrs D on the same day. The Notice of Default said Mrs D needed to pay £278.85 *before* 13 December 2024 to prevent termination of the loan agreement on 13 December 2024. Mrs D made a payment to Sky *on* 13 December 2024, so this was not in time to prevent a default being reported.

It is apparent that Mrs D had different relationships with Sky, including her loan agreement, her network agreement and a TV account.

I have considered what Mrs D has said about trying to pay for parts of her financial commitments to Sky and that she was finding it difficult to do this, and I've reviewed the evidence Mrs D has provided to support this.

While it appears Mrs D did mention this to the other dispute resolution scheme, Sky do not appear to have any records of contact from Mrs D to support she was finding it difficult to access paying her loan. Sky do have a record of Mrs D contacting them in January 2025 about making a payment and they responded to her with a link, but this was after the default had already been reported.

I think it is fair to say Mrs D was more likely than not aware of her responsibility under the terms of her loan agreement to make the monthly payments when due. And overall I've not seen enough to persuade me Mrs D was prevented from making those payments.

Sky has already accepted there were times when their service to Mrs D in relation to her loan agreement could have been better, including that they misinformed her the default would be removed when it would not be, and that they did not call Mrs D when promised. Sky offered to recognise this with a £100 as part of their offer I referenced above. In the circumstances I think the £100 is fair.

I realise Mrs D wants the default to be removed without condition. But in the circumstances I don't think this is fair given that Sky have to, as part of their responsibilities and obligations, report fair, accurate and up to date information about Mrs D's loan agreement to the CRAs. And Mrs D did not make the required payments when due.

I think it is reasonable to say Sky have recognised shortcomings on their part in terms of how they have engaged with Mrs D in relation to this matter. And while I realise this will come as a disappointment to Mrs D, in the circumstances, I think Sky's offer to remove the default subject to Mrs D either clearing the loan agreement arrears or the full outstanding loan balance (less the £100 noted earlier) is fair given Mrs D has had the benefit of the funds for the device she has, and as described above payments to the loan were missed.

It is now in Mrs D's hands whether she wishes to take up Sky's offer and take the steps set out in order for the default to be removed from her credit file.

If Mrs D is now experiencing any financial difficulties, then I remind Sky of their responsibility to treat Mrs D fairly, with forbearance and due consideration going forward.

### **My final decision**

My final decision is that Mrs D's complaint is not upheld as I think Sky UK Limited's offer is fair in the circumstances.

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

Kristina Mathews  
**Ombudsman**