

## The complaint

Mrs E has complained that EE Limited (“EE”) is not applying the agreed trade-in discount for her existing phone, to her new agreement with EE.

## What happened

Mrs E ordered a new phone using a fixed sum loan agreement from EE in March 2025.

The new phone cost around £1,130 and the agreement was to be paid back over three years.

During the sale, it was agreed between Mrs E and EE that if she traded in her existing phone, there would be a reduction in the monthly cost of her airtime payments, of £18 per month, which would total £432 over her two year airtime agreement which was entered into at the same time as the loan agreement for her new phone.

A pre-paid package was sent out by EE to Mrs E, to allow her to return her existing phone to them. Mrs E used the package to return her existing phone, but Mrs E didn’t hear anything for some time.

When Mrs E queried this with EE, they explained that they had not yet received Mrs E’s previous phone, and that their trade-in process was handled by a third party (“B”), so Mrs E would need to liaise with B regarding locating the phone.

Eventually it became clear that the phone had been lost in transit and had never reached B. Mrs E raised concerns with this through B, who stated that the most they could offer was £150. As the previous phone was never received by B, EE refused to apply the trade-in discount to Mrs E’s airtime agreement. Mrs E complained to EE about this, but EE felt the £150 offer was a fair resolution to the complaint, as Mrs E had not taken out the recommended insurance when returning the phone.

Unhappy with this, Mrs E brought her complaint to the Financial Ombudsman, stating that she wasn’t provided with any information about any optional insurance, that if she was told about this she would have taken out the extra protection, and that she followed the instructions provided to her by EE.

Our investigator upheld the complaint, explaining that there wasn’t enough evidence showing that Mrs E was given information about the increased postage protection by EE. However, EE disagreed, stating the information about the increased protection was provided to Mrs E in the form of a leaflet included with the pre-paid package which was sent out to Mrs E.

As EE disagreed with the investigator’s view this has been passed to me for a decision. I issued a provisional decision, explaining that I wasn’t intended to uphold the complaint. I explained why as follows:

*I should first point out that where the evidence is incomplete or inconclusive, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to*

have happened in the light of the available evidence and the wider circumstances. And I'm required to resolve the complaint quickly and informally.

Mrs E entered into a regulated fixed sum loan agreement for a new phone with EE, and at the same time took out a two year airtime agreement. Whilst these two agreements were being negotiated by Mrs E and EE, a discount of £18 was agreed, on the condition that Mrs E traded in her existing phone to EE. Whilst the discount was intended to be applied to the airtime agreement, I think I can consider Mrs E's complaint, as it appears the discount formed part of the negotiations for entering into the regulated loan agreement.

It isn't in dispute that Mrs E attempted to send her existing phone back to EE's third party - B, by placing it in the pre-paid packaging provided by EE, and then handing it to the Post Office to be sent off. Unfortunately, from that point onwards, there has been a problem, and from the tracking information it can be seen that it never actually made it to EE or B.

EE have explained, that together with the pre-paid packaging, a leaflet was included which provided instructions for how to return the phone. Mrs E has disputed this, stating there was no leaflet provided with the packaging. As both parties disagree on this point, I'll address whether I think it's more likely than not that the package included this particular leaflet, later in my decision, but I will first consider whether the leaflet in question provided sufficiently clear instructions to Mrs E on the next steps for the trade in process.

### **Whether the leaflet provided sufficiently clear information of the returns process**

The leaflet sets out the method for returning the existing phone to EE, and explains there are two options for doing this. One is the free to use, "Pre-paid" method and the second option is the "Special Delivery" option. The leaflet states "If you have a higher value device we recommend using the Special Delivery service". The leaflet goes on to explain "In regards to higher value devices we strongly recommend you use the Special Delivery option. The extra cost is worth it as we will receive your device faster and therefore your payment will be received sooner".

I think the leaflet makes it sufficiently clear that if someone had a higher value device, EE recommended using the Special Delivery option, rather than the standard option, as this is set out in both pages of the leaflet. Whilst no exact value is given on the leaflet to classify what a "higher value device" would be, given the model of Mrs E's existing phone and the level of discount she was due to receive from trading it in to EE, I'd say it was reasonable for a consumer to be aware that a device like Mrs E's would be considered a higher value device.

I've thought about the language used in the leaflet, and the fact that the specific reasons EE gives for why they recommended the Special Delivery option, focus on the speed of delivery rather than the increased protection. After all, if the speed of delivery was the only benefit that EE mentioned in relation to the Special Delivery option, it could be argued EE didn't make the increased protection element sufficiently clear to Mrs E. So I've thought about whether that makes a difference here. Having done so, I'm not persuaded that does make a difference. I say this because below this explanation, is a table comparing the differences between Special Delivery and the Pre-Paid methods. There is a row titled "compensation up to" which shows compensation of £500 is available when opting for the Special Delivery option, whilst "no compensation for service" is available when opting for the Pre-Paid method. I think the comparison makes it clear, that by opting for the Special Delivery option, added protection is available in the event something goes wrong when compared to the Pre-Paid option.

The leaflet also explains "Please remember that you are responsible for sending devices and no liability can be accepted for devices that are damaged in transit or do not arrive". I think

*this makes it clear that items can be lost in transit, and that EE wouldn't be responsible in that eventuality.*

*Taking everything into account, I think the leaflet makes the increased protection available when choosing the Special Delivery method sufficiently clear, and would allow a consumer to decide which option suited their circumstances best.*

*Given what I've seen of the information contained within the leaflet, had it been included in what was sent out to her, I'm satisfied that EE would have sufficiently explained the options available to Mrs E at the time.*

### **Whether the leaflet was most likely provided to Mrs E**

*Mrs E has been consistent in explaining that there was no leaflet contained within the packaging that was sent out to her. So I've considered this aspect of her complaint further. It is clear that Mrs E did receive the packaging from EE, but the dispute remains over whether the packaging actually included the leaflet.*

*There's no way to definitively know whether the packaging contained the leaflet or not. However, I do think it's important to note that EE's process for arranging phones to be sent back to them, is that the leaflet is contained within the packaging which is sent out to consumers. Taking everything into account, I think it was reasonable for EE to conclude that the most likely thing to have happened here, was that the leaflet was contained within the packaging as intended, when it was sent out to Mrs E.*

*It is important to note, that I am not saying definitely what happened here or indicating that Mrs E did something wrong. It is of course possible that there was an issue with this particular packaging, which was sent to Mrs E, and that the leaflet was missed on this occasion. However, I think it's reasonable to say EE was fair in not thinking this was the most likely scenario to have happened.*

*I know this will come as a disappointment to Mrs E, and I appreciate that she has lost out as a result of what has happened, due primarily to the actions of the Royal Mail. Mrs E has sent her phone off and the phone has then been lost in transit on its way to EE. However, my role here is limited to informal dispute resolution looking at what EE can be held responsible for.*

*I'm satisfied it is more likely than not, that the leaflet was sent out with the packaging. For the reasons I've already explained, I think the leaflet provides sufficient information about the different options for sending the phone back, and that EE wouldn't be responsible in the event the package didn't arrive back to them – as has happened here.*

*With this in mind, I don't think EE has acted unreasonably by not applying the previously agreement discount to the airtime agreement.*

*I can see EE applied the £150 refund back to Mrs E, which I think is a fair resolution to the complaint.*

*Mrs E replied back to explain that she didn't agree to the provisional decision. EE replied to say that they agreed to 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.*

Mrs E has explained that the £150 that EE paid to her was not a compensation payment, and was instead due to the type of contract she held with them. I've considered this, but I'm not persuaded this makes a difference to my decision. So I see no reason to change from the conclusions I reached in my provisional decision.

**My final decision**

My final decision is that EE Limited has done enough to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 17 February 2026.

Jonathan Wistow  
**Ombudsman**