

The complaint

Mr O complains about the information Hutchinson 3G UK Limited (Three) gave to him when he took out a new finance agreement.

What happened

In March 2025, Mr O decided to upgrade his mobile phone with Three. Mr O says that, based on his past experience of buying phones from Three, the new plan would swap out his earlier plan from when he took out a phone in 2023.

Mr O was unhappy to find that after upgrading his existing phone he was left with two active credit agreements on which he needed to make two lots of monthly payments. Mr O says this caused him financial strain and concern. For ease, I will refer to the existing device agreement from 2023 as “agreement 1” and the agreement he took out in March 2025 to upgrade to a new device as “agreement 2”.

Mr O settled agreement 1 early in August 2023. He wanted Three to refund or credit the sums he paid on agreement 1 for the time both agreements were open. Mr O also wanted Three to pay him £170 as a gesture of goodwill to compensate for the stress he experienced, together with an apology for failing to properly explain what would happen if he upgraded.

Our investigator looked into Mr O’s complaint but didn’t think Three had treated him unfairly. Our investigator thought that as part of the online purchase process, Three made it clear to Mr O that he would need to keep paying for agreement 1 until he cleared the balance.

Mr O disagreed with the investigation outcome. He referenced the Financial Conduct Authority’s (“FCA”) Consumer Duty which requires firms such as Three to make sure its’ communications enable customers to make informed decisions. Mr O didn’t think that Three displayed the wording about needing to keep paying any instalments due under agreement 1, prominently enough to prevent him from forming a misleading impression.

Mr O said that Three didn’t warn him that he would end up paying for two devices at the same time. Particularly as this was different to how previous upgrades had worked.

Before Mr O came to our service, Three offered to let him unwind agreement 2 as a gesture of goodwill. Mr O says he declined this offer as he wasn’t legally obliged to accept it.

As Mr O doesn’t agree with the investigation outcome, the complaint has come 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 realise that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules which govern us, together with the informal nature

of our service, allow me to take this approach. But this doesn't mean I have not read and considered everything the parties have given to us. If I don't mention something, it won't be because I have ignored it. It will be because I didn't think it was material to the outcome of this complaint.

I am sorry to learn of the problems which Mr O has had, but having considered his complaint, I am not upholding it and will explain why.

Agreements 1 and 2 are regulated consumer credit agreements. This means our service can consider complaints about them. But as any agreements relating to airtime plans are not regulated, I can't consider any aspect of Mr O's complaint which relates to his airtime plan.

For me to find that Three treated Mr O unfairly, I would need to be persuaded that it had given him unclear or misleading information which led him to believe that by taking out agreement 2, agreement 1 would come to an end with nothing further to pay.

Mr O completed the application for agreement 2 online. Three has supplied screenshots of the online process it says Mr O would have seen at the time and he hasn't disputed seeing these messages. At the top of the first page in large bold font it said '**Upgrade today with no fee**' and below this message, it said 'You may be able to upgrade today with no Early Upgrade Fee' and 'If you have a device plan agreement, you'll need to continue paying this until your balance is paid off'.

When choosing his device, Mr O would also have seen a message which read '**You can upgrade today. Choose a device to get started**' and below this message it said 'If you're making monthly device payments, you'll need to keep making those repayments until the outstanding balance is cleared'.

Based on the evidence I have seen, I consider that on more than one occasion during the sales and application process, Three made it clear to Mr O that he would need to keep paying the balance on his existing device plan agreement. This is not to take away from the fact that Mr O's previous experience of upgrading with Three may have been different. But I still think the information which Three presented to Mr O in March 2025 was clear enough to have allowed him to make an informed decision on whether to go ahead with the upgrade. So, I can't fairly say that Three misled Mr O into thinking agreement 2 would end agreement 1 without any repayment liability.

I have also considered the terms of agreement 1. Clause 3.5 says "If your Airtime Plan comes to an end (including if you or we terminate it), this device plan agreement will be unaffected and you'll be required to continue to make repayments under it". So, I am satisfied that Three told Mr O that even if his earlier airtime plan ended, he would still need to keep repaying the related device plan he agreed to in agreement 1.

I want to reassure Mr O that I have considered the Consumer Duty as part of deciding his complaint. The FCA Handbook sets out rules and guidance that I consider applicable to this case. These include the Principles for Businesses and the FCA Consumer Duty. Principle 7 says that "a firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading".

The Consumer Understanding part of the Consumer Duty expands on this general principle. It requires firms to support their customers by helping them to make informed decisions through the timely provision of information which is readily understandable. Prin 2A.5.3, which Mr O refers to in his response to the investigation outcome, says:

(1) A firm must support retail customer understanding so that its communications

- (a) meet the information needs of retail customers;
 - (b) are likely to be understood by retail customers; and
 - (c) equip retail customers to make decisions that are effective, timely and properly informed.
- (2) A firm must communicate information to retail customers in a way which is clear, fair and not misleading

For the same reasons I have already outlined above, I am satisfied that Three's communication with Mr O was clear, fair and not misleading. And I don't consider it acted in a way which went against its' obligations under the Consumer Duty.

As I don't find that Three made a mistake or treated Mr O unfairly, I don't require it to refund any of the payments he made or to pay compensation. I appreciate that this is likely to disappoint Mr O and I am sorry for this.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 12 March 2026.

Gemma Bowen
Ombudsman