

The complaint

Ms X complained about information reported to credit reference agencies about her payment history for loans provided by Hutchison 3G UK Limited trading as Three.

What happened

The events of this complaint are well known to both parties, so I'll only briefly summarise them here. Ms X entered into two fixed sum loan agreements with Three for the supply of new mobile phones in December 2023. Ms X agreed to make 36 payments of around £30 for one phone and 36 payments of around £27 for the other. Ms X also had separate service agreements for airtime.

Ms X contacted Three in April 2025 to complain about inaccurate information that had been reported to her credit file. She said that late payments had been reported consistently which had affected her credit score. She said she had always made payment on time and had requested to change the date from the beginning.

Three said that payments for May 2024 had been called for by direct debit. It said that the first attempts had been rejected by the bank and the second attempts had also failed. It said that it had sent notifications by email and text, but Ms X had changed her email address without letting it know. As the payments were overdue the information reported to the credit reference agencies was correct. Ultimately it did not uphold the complaint.

Ms X referred her complaint to the Financial Ombudsman. An investigator here considered the complaint. She didn't think that Three could have or ought to have done more to communicate the arrears position. She thought that the information reported to the credit file was a fair and true reflection of her payment history. She also said that Three had acknowledged shortfalls in its customer service and the offer of £100 credit was still available if Ms X wanted to contact Three about that.

Ms X didn't agree. In summary she said:

- The regulatory test was not whether Three attempted to send automated emails, it was whether the arrears communication was effective and whether she was given a fair opportunity to put things right. Text messages did not meet the standard for effective arrears communication under Financial Conduct Authority (FCA) rules.
- Three confirmed her email address was only updated in August 2025 and until that point she did not receive the specific arrears amounts despite repeatedly asking for them.
- She paid the arrears once the correct amounts were provided in November 2025, which supports that she did not receive the relevant arrears information earlier.
- Although a Notice of Sums in Arrears (NOSIA) was not required it did not remove the obligation under CONC and the Consumer Credit Act to communicate arrears clearly and in a way that the consumer can reasonably be expected to receive. No arrears amounts were provided until November 2025, and her online account did not show

any arrears.

- The payment date discrepancy had not been adequately considered. Airtime and finance were collected on different dates which caused the confusion and contributed to the missed payment. Her expectation was that payments would be aligned. This was relevant to the fairness of the reporting under FCA principle 6.

The complaint has been passed to me to make a 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.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules including Consumer Duty, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time.

I've read and considered everything both parties said, but I've summarised the key points here. While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes informally.

Where the evidence is incomplete or inconclusive, or contradictory (as some of it is here), 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.

The agreements in this case are regulated consumer credit agreements. As such, this service is able to consider complaints relating to them.

Our investigator has already provided a detailed assessment of this case. I agree with our investigator's opinion for broadly the same reasons, so I don't consider I need to address the complaint in the same detail. Instead, I'll set out what I think are the key considerations for me to make a decision based on why Ms X asked for a decision. Our powers allow me to do this.

On entering into the agreement Ms X agreed to make the 36 payments required for each agreement on time. The credit agreements set out the consequences of missing payments. Three issued a payment schedule and direct debit advance notice at the start of the agreement which was sent to the same address she has supplied to the Financial Ombudsman. This is relevant because Ms X says that her airtime and loan payments were collected on different dates and her expectation was that payments would be aligned. While this might have been her expectation, I've not seen anything to indicate that she made a specific request for the payment dates to change, and there is no requirement for the two contracts to be aligned in the way she's explained. I've noted that the monthly billing for her airtime included a message to indicate that her loan payments were separate. Payments to the fixed sum loan agreements were made without incident from January until April 2024. At the end of April 2024 Three sent a payment reminder email for each agreement for the next payment.

Three made an attempt to collect both payments on 1 May 2024 as usual, but the bank declined each payment. Three sent emails that confirmed the payment would be reattempted, but both of these payments also failed as the bank declined the payment. Three sent further emails explaining that payment had failed on a further two occasions that month, followed by text messages which were sent to the same number Ms X provided to the Financial Ombudsman. Each month it also sent further emails about the missed payment

although subsequent payments were successfully made by direct debit. The communication that it sent on each occasion included the information that I'd expect to see when contacting a consumer in arrears, so I think it met the regulatory requirements.

Crucially the problem with the communication was that Ms X hadn't notified Three that she wanted to use a different email address. So, the problem wasn't that that Three's communication wasn't in line with its obligations, but rather it was unaware that Ms X preferred to use a different email. I note that I've not been provided any evidence that those emails were rejected, that Ms X was unable to access them or that Ms X had notified Three of her change of details earlier.

Ms X says that text messages do not meet the standard for effective arrears communication under FCA rules. I'm not sure which specific rule she is referring to but having considered the FCA handbook and in particular CONC 7.3 I've not seen anything to indicate that a lender can't use a text message as an additional reminder in addition to the other communication I've described above. And when discussing effective communication CONC sets out that Three should consider the most appropriate way to engage and communicate with a customer. I've not seen anything to show why contacting Ms X by the email address that she had requested would be inappropriate, and the fact that Three also contacted her by alternative means demonstrates that it did as much as it needed to enable Ms X to engage with it. Just because she'd changed her contact details doesn't mean it wasn't effective in the sense expected in the guidance.

Ms X contacted Three by live chat in April 2025 to dispute late payment markers that were on her credit file, and she was informed about the two missed payments, including the specific amounts that were due. Ms X also contacted Three by live chat in August 2025 and although she disputed having missed any payments, she was also told the amounts that were overdue. So, I don't agree that Ms X was unaware of the specific amounts until November 2025.

I've not seen any evidence that the direct debits for May 2024 were unsuccessful due to an error by Three. The response it received from Ms X's bank indicates that insufficient funds were available at the time. Subsequent direct debits were all successful, and I've not seen anything which shows that Ms X requested a change to her direct debit date either before or after the missed payments.

Ms X said that she wasn't aware of the missed payments. However, I've noted that she didn't update her contact details with Three until August 2025. I think she ought reasonably to have been aware of the payments required having entered into the agreement, and it wouldn't be reasonable to suggest that Three ought to have done something more as it couldn't have known that she no longer used that email address. I think Ms X ought reasonably to have been aware that the direct debit had failed. I can't hold Three responsible if she didn't monitor this herself, didn't have good control over her finances at the time or failed to update her contact details if they changed.

Ms X did settle the outstanding amounts by card in November 2025, and in doing so she was given an option to discuss any payment difficulties in order to get further support which she declined. But Three is required to report an accurate reflection of her repayment history to the credit reference agencies. I'm sorry to disappoint Ms X but I'm not persuaded that the information it reported is inaccurate here, or unfair, so I'm not directing Three to remove it or to do anything further to resolve this complaint.

Three acknowledged that it initially didn't record the complaint as an FCA related complaint and instead progressed the case under Ofcom regulations as it mistakenly thought the complaint was about the airtime agreement. Three has offered a £100 credit to her airtime

account in recognition of its service failings, which seems fair given the circumstances. As I've not found that Three acted unfairly with regard to how it is reporting information to the credit reference agencies, I don't have grounds to direct it to pay more. Ms X can contact Three to check if the offer is still available if she now wants to accept it.

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 Ms X to accept or reject my decision before 15 May 2026.

Caroline Kirby
Ombudsman