

The complaint

Miss H is unhappy with the information being reported on her credit file by Vodafone Limited (VL) and about how they handled her accounts when she was dealing with them.

When I refer to what Miss H or VL have said or done, it should also be taken to include things said or done on their behalf.

What happened

In summary, Miss H is unhappy with how VL handled her accounts. Miss H said that VL was not helpful in advising her as to which Debt Collection Agencies (DCA) she needed to contact to resolve the issue of the debts on her accounts. Miss H also said that she made payments on 6 May 2025 to pay off her device plan, but VL failed to take the payments causing her stress which affected her mental and physical health. To put things right she wanted VL to ensure her accounts are paid and closed, and the default to be removed from her credit file. She also feels that she should be adequately compensated for the distress and inconvenience VL has caused.

On 6 May 2025, VL wrote to Miss H. In this correspondence they said that Miss H got in touch with them on 2 May 2025 about facing financial difficulties and the impact on her three accounts, which had fallen into collections. They said they understood that she had spent an extended time on calls with them trying to clarify whether her accounts were with VL or DCA and attempted to make payments to settle her outstanding balances. However, VL said she was advised to contact her allocated DCA. VL said they understand that Miss H was denied being able to pay off the outstanding debts, which led her to request further clarification and express frustration over the situation.

VL also said that after investigating her concerns they found that she had a surgery recently, which prevented her from working and contributed to her financial struggles. They said they understand that now Miss H is in a stronger financial position and wished to:

- settle any outstanding balances across all her accounts;
- be compensated for the time spent resolving these matters;
- be given assurances that her account will not be impacted by a default.

Additionally, they said, they understood that, while she is willing to pay off any arrears or outstanding amounts, she does not wish to cover the final bill.

VL listed the breakdown of each account:

Account ending in 791

- Apple iPad Pro 13 1TB Space Black (Device Plan Number ending in 409)
- Total Balance Due: £1,736 (to be paid in full as agreement was terminated)
- Mobile broadband (Linked number ending in 488)
- 30-day notice cancellation charge: £149.26

Account ending in 291

- Apple iPad Pro 13 256GB Space Black (Device Plan Number ending in 391)

- Remaining Balance: £1,000

Account ending in 566

- Apple iPad Pro 13 256GB Space Black (Device Plan Number ending in 472)
- Remaining Balance: £1,080
- Mobile broadband (Linked number ending in 383)
- 30-day notice cancellation charge: £139.78
- Apple iPad Pro 13 256GB Space Black (Device Plan Number ending in 670)
- Remaining Balance: £1,000
- Mobile broadband (Linked number ending in 990)
- 30-day notice cancellation charge: £136.90

VL said that after reviewing everything they were unable to uphold her complaint. VL said, since Miss H has active device loans across all accounts, payments are still required under the agreed loan terms. Additionally, the mobile broadband numbers linked to these devices are also included in this commitment. However, they said, that considering her health circumstances, as a gesture of goodwill VL have removed all the mobile broadband commitments and disconnected the service immediately, as agreed on the call. This ensured that early termination fees will not be incurred. They also said the final bill would be pro-rated until the date of disconnection.

Additionally, as part of a customer service resolution, a £50 credit has been applied to the bank, with details provided over the phone. This would be received within 10-15 working days. Lastly, they said, that Miss H has successfully paid for the following:

- £1,736 - Apple iPad Pro 13 1TB Space Black (Device Plan Number ending in 409).
- £1,000 - Apple iPad Pro 13 256 GB Space Black (Device Plan Number ending in 670).
- £1,080 - Apple iPad Pro 13 256 GB Space Black (Device Plan Number ending in 472).

At the end, they explained that they are sorry for the inconvenience caused.

Miss H was unhappy with VL's response, so she brought her complaint to Financial Ombudsman Service (Financial Ombudsman).

Our investigator was of the opinion that it was reasonable for VL to agree to remove the default. However, they thought the missed payment markers should remain, but factual information should be reported on Miss H's credit file to reflect that five not six payments were missed on the account ending 791.

The investigator also acknowledged that dealing with everything did cause Miss H distress and inconvenience, however as VL agreed to write off £960 of debt from the account ending 291, it would not be fair and reasonable to ask them to pay Miss H any further compensation.

Miss H did not accept the investigator's outcome. As such, the complaint 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.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, the law, and, where appropriate, what would be considered to have been good industry practice at the relevant time.

Miss H's complaint refers to her device plans, which she has taken out by entering into regulated consumer credit agreements. Our service can look at these sorts of agreements. She is also unhappy about her mobile broadband agreements, but the matters relating to these do not fall within our remit. As such, I am only considering the complaint that has been raised regarding the regulated consumer credit agreements (that is, pertaining to the device plans).

I have summarised this complaint briefly, in less detail than has been provided, and largely in my own words. No discourtesy is intended by this. If there is something I have not mentioned, I have not ignored it. I have not commented on every individual detail. But I have focused on those that are central to me reaching, what I think is, the right outcome. This reflects the informal nature of the Financial Ombudsman as a free alternative to the courts.

From the available evidence I can see Miss H made payments toward her accounts on 6 May 2025. During the calls VL had with Miss H, they informed her that the account ending in 791 had already defaulted, as no payment was received by the due date of 22 April 2025. Miss H queried with VL if anything could be done to prevent the default as none had been reported on her credit file yet. She was wondering if her paying off that account would stop the default being recorded. VL explained that a default would still be registered, but it would show as settled.

I considered VL would have been within their right to register the default as, I can see Miss H missing payments on this specific account from December 2024 until April 2025. Also, I can see VL sent her a default notice on 4 April 2025 advising her to make a payment of £225 by 22 April 2025 to cover the arrears on the account. At the time, the account was already over three months in arrears. The letter explained that if payment is not received by the stated date, a default may be reported to the credit reference agencies. The letter also contained information that VL would use a DCA to recover payments from Miss H. As such, when Miss H did not clear the amount required to stop the account from defaulting, it was not unreasonable for VL to register a default on that account.

I know Miss H feels strongly that a default should not be registered because, at the time she made payment to clear the total outstanding balance, a default had not been reported by VL to the CRAs. VL only reported the default after the account balance had been cleared. As such, I thought about if this was fair or not, but, as VL already agreed to remove the default, I do not think I need to spend much time on this. All I will say is that considering the specific circumstances of this complaint I think it was fair and reasonable for them to agree to remove that default.

However, I have considered that they were reporting six missing payments when, in fact, they should have reported five. VL have an obligation to report accurate information to the credit reference agencies. Hence, I think, they should amend this report to reflect the situation correctly. And they should make sure that all three accounts, which Miss H fully repaid on 6 May 2025, reflect as such on her credit file.

I know Miss H is also unhappy as she had to contact VL on a few different occasions because the money she paid to settle the accounts first debited her account but then credited back to her account. It seems that the payments only debited from Miss H's account on 14 May 2025, about eight days after the payment was made. VL said this could have been a bank issue, as they were adamant that they had received the funds. On the other hand, Miss H said her bank confirmed the payments as authorised. As such, she believes

VL had not processed the payment on its end. Also, she was worried that they may request the payment later, when she does not have money in the corresponding account. Therefore, I have taken into account what Miss H has told us.

In addition, Miss H said that she is also unhappy with the customer service she has received when she was corresponding with VL regarding the missed payments and other aspects of her account. She said the agents she spoke to were unhelpful. I can see that VL did give misleading/incorrect information to Miss H on certain calls she had with them. For example, I can see VL originally reported the default on 6 May 2025, while on 8 May 2025 they told her that no default was currently registered to her credit file.

In addition, she was unhappy because she received another default notice on 1 May 2025, requesting payment by 20 May 2025 for account ending 291. This account was paid up to date so Miss H said this caused her further concern and stress, as she was worried about her credit file being impacted.

Hence, I think dealing with all of the above has caused Miss H a lot of distress and inconvenience. I know that she feels that she should be entitled to a large amount of compensation to properly reflect the amount of distress and inconvenience caused to her. She told us a lot about her health circumstances and how she had been impacted by everything that has happened. As such, I have taken everything she told us into consideration, but I do not feel that VL needs to pay her any further compensation. I say this because I can see that they have decided to write off £960 of the remaining debt she owed on account ending in 291. I think this more than fairly reflects the impact their errors had on her.

While I sympathise with Miss H for the difficulties she has experienced, based on all the information available in this case, I do not think it is fair or reasonable for me to require VL to take any further action regarding her complaint, except for the actions I have outlined above.

My final decision

My final decision is that I uphold this complaint, and I require Vodafone Limited to take the following actions:

- Amend Miss H's credit file to reflect five missed payments instead of six for the account ending 791,
- Make sure all accounts she had paid in full on 6 May 2025 reflect accordingly with all the credit reference agencies VL reports to.
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Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 11 March 2026.

Mike Kozbial
Ombudsman