

## The complaint

Mr H is unhappy that EE Limited are pursuing him for the full outstanding balance of a credit agreement.

## What happened

Mr H financed the purchase of a mobile phone with EE via a credit agreement, to which he made monthly payments of £35.31. On 5 May 2025, Mr H called EE and said that he wanted to move to another mobile network provider and asked what he would need to pay if he did so. On that call, EE's agent told Mr H that he would need to clear his airtime balance but that he could continue to pay off the credit agreement at £35.31 per month as he had been doing.

Mr H subsequently left EE and transferred his phone number to another mobile provider. He then received a demand from EE for repayment in full of the outstanding credit agreement amount. Mr H wasn't happy about this, so he raised a complaint.

EE responded to Mr H and confirmed that as per the terms and conditions of the credit agreement, because Mr H had moved away from EE, the full outstanding balance of that agreement was now due in full. However, EE apologised to Mr H for the incorrect information he'd been given by their agent and paid £70 to him for any trouble or upset he may have incurred. Mr H wasn't satisfied with EE's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt the response that EE had issued to Mr H, including that the full balance was considered outstanding and the payment of £70 compensation, already represented a fair resolution to the complaint. Mr H disagreed, so the matter was escalated to an ombudsman for a final 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.

I issued a provisional decision on this complaint on 30 January 2026 as follows:

*I'll be provisionally upholding this complaint in Mr H's favour. This is because, while I accept that the terms and conditions of the credit agreement include that the full balance outstanding should now be due, I feel that Mr H is reasonably entitled to act on the basis of the information given to him by EE's agent on the 5 May phone call, which I've listened to as part of this review.*

*Notably, on that call, Mr H mentions the requirement to pay the full amount outstanding on the credit agreement and has a discussion with EE's agent about it. And EE's agent confirms several times that Mr H doesn't need to pay that full amount and can continue under the repayment terms of the credit agreement and can make the monthly payments until the balance is repaid. Furthermore, at the end of the call, Mr H asks EE's agent for a final*

*confirmation that he can make ongoing monthly payments and won't need to pay the full outstanding amount – and EE's agent gives Mr H that final confirmation.*

*Ultimately, I feel that it's reasonable for Mr H to have taken from that conversation that EE had effectively accepted a request for an exception to the terms of the credit agreement such that he would be allowed to continue making payment of £35.31 to pay off the phone. And I don't feel that it's fair for EE to tell Mr H this, allow him to transfer to another mobile provider in good faith based on that information, and then insist on full repayment of the outstanding balance.*

*Accordingly, my provisional decision is that if Mr H can bring his account effectively up to date, that EE must allow him to make ongoing payments of £35.31 until the account balance is settled.*

*When I say that Mr H must bring his account effectively up to date, what I mean by this is that Mr H must, within 30 days of any future final response I may issue confirming this provisional decision, make a lump sum payment to cover the total of any and all £35.31 monthly payments that he has not paid, in line with the credit agreement, up to that time. For example, if Mr H hasn't made any £35.31 payments since April 2025, then to bring his account up to date today, on 30 January 2026, he would need to make payments for May through January – i.e. nine payments of £35.31, totalling £317.79.*

*I make this stipulation because Mr H is unhappy that EE didn't allow him to continue with the repayment terms of the credit agreement. As such, if I'm going to instruct EE to revert to those terms, I feel that it's fair that Mr H should be effectively up to date with them.*

*If Mr H can bring his account effectively up to date, then as well as allowing Mr H to continue with his £35.31 payments, EE must also remove all adverse reporting from Mr H's credit file regarding this account. EE must also bring Mr H's account back 'in house', if it currently sits with any third-party agency.*

*Finally, EE must also pay a further £80 to Mr H, in addition to the £70 they've already paid, as compensation for the trouble and upset that Mr H had incurred here. In arriving at this £150 total compensation amount, I've considered the impact of what's happened on Mr H alongside the general framework that this service uses when assessing compensation amounts, details of which are available on this service's website. And, having done so, I feel that £150 is a fair compensation amount.*

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EE did not respond to my provisional decision. Mr H did respond and raised concerns about my requirement that he effectively bring his account up to date as he felt he may struggle to make the large payment needed to cover the monthly payments of £35.31 that he hasn't made while this issue has been ongoing.

I can appreciate Mr H's concern in this regard. But Mr H's complaint is that EE didn't allow him to continue with the credit agreement he had in place. I feel that it therefore stands to reason that the corrective action that I can reasonably instruct of EE is that they allow Mr H to return to the payments required by that credit agreement, which would require Mr H to bring his account effectively up to date.

If we consider the alternative, which is that Mr H resumes payments of £35.31 without bringing his account effectively up to date, that would mean that I'm instructing EE to extend the term of the agreement they had with Mr H by the number of months that Mr H hasn't made a payment.

That doesn't feel impartial or fair to me, and I feel it would be out of alignment with this service's aim of instructing corrective action that returns a complainant to the position they should be in, had the unfair actions of the business never occurred. In this instance, had EE not told Mr H that he needed to make the full payment, he would have had to have maintained his payment arrangement over the past several months. And while I appreciate that this may now require Mr H to make a relatively large payment, I feel that Mr H could and reasonably should have continued to pay the £35.31 to EE while his dispute with EE was ongoing, given that his argument was that he should be allowed to make those payments.

Accordingly, my final decision is that I uphold this complaint on the basis I've described in my provisional decision. I hope that Mr H will understand, given what I've explained, why I've made the final decision that I have.

### **Putting things right**

If Mr H can bring his EE account effectively up to date within 30 days of this final decision, EE must allow Mr H to make ongoing payments of £35.31 per month until the account balance is settled.

EE must also pay a further £80 to Mr H, in addition to the £70 they've already paid.

### **My final decision**

My final decision is that I uphold this complaint against EE Limited on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 March 2026.

Paul Cooper  
**Ombudsman**