

The complaint

Mr T has complained about how Vodafone Limited has administered a credit agreement linked to his phone.

What happened

To reflect my role of resolving disputes quickly with minimum formality, I'll only briefly summarise what happened here.

In January 2024, Mr T bought a new phone from Vodafone using a fixed sum loan agreement. Mr T also entered into a separate airtime and broadband agreement.

Mr T says that around January 2025, his phone was lost/stolen - which meant he was no longer able to access his online account or make payments as he was unable to pass the two-stage verification. Mr T cancelled the direct debit mandates for both the credit and airtime agreements in March 2025.

In April 2025, Mr T complained to Vodafone about him being unable to access his account online. Vodafone responded by saying two stage verification had been set-up for the account and was a valid means for protecting sensitive and important information. However, Vodafone offered to pay £50 to Mr T as a gesture of goodwill – which they later increased to £100. Mr T declined this offer and raised further complaint issues. The new complaint points mainly related to Mr T's airtime and broadband agreements. They included Mr T being unhappy Vodafone had restricted services due to missed payments and his inability to pay the required payments because of him not being able to access his accounts online.

Vodafone issued a new final response. In summary, Vodafone identified that as the same email address had been used for both of his accounts, it was causing some issues in Mr T accessing those accounts online. To resolve this issue Vodafone notified Mr T they'd need to perform a contact cleanse which would require Mr T to re-register to gain online access. Vodafone also made Mr T aware of the missed payments and said he could still make payments by him either calling them or through their mobile App. Mr T ported his number to another provider later that month.

In July 2025, Vodafone posted Mr T a default notification to make him aware that if the missed payments weren't paid by the specified date, they'd proceed to close the credit agreement. Because this didn't happen, Vodafone terminated the credit agreement, and let Mr T know the outstanding balance (of £315) was now due.

Unhappy with what Vodafone had proposed to resolve his complaint Mr T asked the Financial Ombudsman to consider the matter.

Our Investigator didn't uphold the complaint. In summary, they said our powers only allowed us to look at regulated activities – which meant we could only look at how Vodafone had administered Mr T's credit agreement, we couldn't consider the issues Mr T had raised in relation to his airtime and broadband agreement. The Investigator also thought Vodafone had acted reasonably when trying to resolve the online access issues and hadn't prevented

Mr T from making the required payments. So, they didn't think it would be fair for them to ask Vodafone to waive the outstanding balances or arrange for the adverse loadings to be removed from Mr T's credit record. Overall, the Investigator thought the £100 Vodafone had offered to pay to Mr T represented a fair and reasonable outcome to the complaint.

Mr T didn't agree with the Investigator's findings, so 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 want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. I want to assure Mr T and Vodafone that I've reviewed everything on file. If I don't comment on something, it's not because I haven't considered it, it's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Our service was set up by Parliament under the Financial Services and Markets Act 2000 ('FSMA'). It's important to make clear that – as a public body - we don't have a general, 'at large' power to investigate any complaint. We can only investigate what FSMA and rules made under FSMA say we can. And we have no legal power to investigate complaints that are beyond our jurisdiction.

FSMA gives the Financial Conduct Authority ('the FCA') the power to say what complaints we can and can't consider. The FCA has set these out in the Dispute Resolution chapter of the FCA Handbook (also known as 'DISP' or 'the DISP rules').

We can consider some financial complaints against Vodafone because it falls under what is known as our compulsory jurisdiction. But that doesn't mean we can consider every complaint that is brought to us.

DISP 2.3.1 says we can consider complaints under the compulsory jurisdiction if it relates to an act or omission by a firm in carrying out certain activities. We can also look at ancillary activities in connection with them.

The provision of an airtime and broadband agreement doesn't fall under the list of regulated activities. So, I don't have the power to consider the complaints and ancillary issues Mr T has raised in relation to those agreements. We've explained this to Mr T. However, we can look at a complaint relating to the fixed sum loan agreement. This is because the regulated activity in question is that of exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement.

While not the main thrust of Mr T's complaint, he has mentioned he's unhappy his credit file has been impacted because missed payments have been recorded in relation to the credit agreements. So, I've thought about whether Vodafone has acted unfairly in relation to its reporting to the credit reference agencies.

It isn't in dispute Mr T stopped paying towards the device plan. It's also not in dispute that this was due to Mr T cancelling with his bank in March 2025 the active direct debits he had with Vodafone for the credit and airtime agreements.

Mr T says he was unable to make the payments because he couldn't gain access to his online account. Vodafone has acknowledged Mr T would have experienced some log-on

issues because the online account linked to his credit agreement and the separate online account linked to his airtime and broadband agreements were set-up using the same email address. However, I think it's fair to say the resolution Vodafone proposed to fix this issue was fair – although this could potentially have caused Mr T to experience some distress and inconvenience as the remedy required him to re-register both online accounts.

However, the records show Vodafone made Mr T aware at the time of other ways he could make the payments. This included Mr T being able to pay using Vodafone's mobile APP or through him giving them a call. So, on balance, I think it was possible for Mr T to have made the required monthly payments even if he didn't want to set up a new direct debit, and Vodafone did enough to explain to Mr T how those payments could be made.

Mr T decided to port his number to another telecommunications provider. Vodafone has explained that by leaving the Vodafone network it meant Mr T no longer had access to any online accounts or APP linked to that number. Vodafone has clarified that if Mr T wanted to query his payments for either the credit or airtime agreements, he was always able to do so by phone or webchat.

Vodafone has also said Mr T should still be able to access his broadband account using the App. Vodafone has said if Mr T is unable to do so, then he should contact them for help. But for the reasons I've explained above, if Mr T is unhappy with how Vodafone has handled his broadband account this isn't something the Financial Ombudsman Service can consider. However, the Communications Ombudsman may be able to.

Vodafone's records show they sent notifications to Mr T to warn him of the missed payments for the credit agreement and what would happen if they weren't paid. I've also seen a copy of the default letter Vodafone posted to Mr T's home address. On balance, I think it's likely this correspondence would have been successfully delivered to Mr T.

The default guidance issued by the Information Commissioner Office (ICO) explains that a default should typically be recorded when an account is at least three months in arrears, and generally by six months. The payment history shows that when the account was terminated it was three months in arrears. So, I consider it was reasonable for Vodafone to have defaulted and terminated the account when they did. And I'm persuaded they did so following them having provided Mr T with the requisite notifications and warnings beforehand.

Vodafone is obligated to report true and accurate information to the credit reference agencies. I haven't seen anything to show me Vodafone told Mr T that they wouldn't report missed payments and defaults to the credit reference agencies. Nor have I seen anything to show that what Vodafone has reported isn't accurate. In all the circumstances, I think it was fair for Vodafone to pass on the missed payment information to the credit reference agencies. So, while I appreciate Mr T believes the loadings on his credit record are unfair and will have an impact on him being able to secure future credit, I don't require Vodafone to remove them.

Other considerations

Mr T has raised concerns about the difficulties he experienced when trying to register his phone as lost/stolen.

Vodafone has responded by saying a customer with a lost/stolen device or SIM would not be requested to provide a One-Time Authentication Code (OTAC) to report a handset as lost or stolen. Vodafone has clarified a customer would need to pass security on their account - by

providing their PIN/Password or, if required, answering the alternative security questions from the account.

Vodafone says Mr T was able to successfully report his handset as lost/stolen and order a replacement SIM. Having looked at Vodafone's website, I think it's fair to say it clearly shows how to report a lost/stolen device and this doesn't require the provision of any OTAC. The lost/stolen process also advises on how a new SIM can be ordered. However, a lost/stolen phone will not lead to the removal of the two-step verification process from a customer's online account. For Mr T to complete this process he would have needed to wait for the replacement SIM to arrive and be activated (so he could gain access to the passcode). Alternatively, Mr T could have called Vodafone – whereby Vodafone would have initiated the required security checks before agreeing to answer any queries relating to the credit and airtime agreements linked to the lost/stolen phone.

I appreciate Mr T thinks Vodafone could have done more to help him and I understand why he may have found some of the processes to be confusing and contradictory. But overall, I think Vodafone did their best to help resolve the issues Mr T raised and responded in a timely manner without undue delays. Vodafone offered to pay £100 to Mr T as a gesture of good will. In the circumstances, I think this represents a fair amount for any inadvertent distress and inconvenience Vodafone may have caused by their actions and responses.

Overall, and for the reasons I've explained above, I think Vodafone acted fairly when requiring Mr T to pay the outstanding balance for the credit agreement. However, I'd remind Vodafone of the Financial Conduct Authority's requirement for firms to treat customers who are experiencing financial hardship with forbearance and due consideration. Mr T may wish to speak to Vodafone to discuss a way forward, and if he thinks they treat him unfairly it might be something we can consider for him.

My final decision

My final decision is that in as much as Vodafone hasn't done so already, they should pay the offered £100 to Mr T.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 22 May 2026.

Carl Bibby
Ombudsman