

The complaint

Mrs P has complained that Tesco Mobile Limited (Tesco) is holding her liable for a credit agreement that was taken to buy a new phone.

What happened

The parties are familiar with the background details of this complaint – so, I'll only briefly summarise them here. It reflects my role of resolving disputes quickly with minimum formality.

In February 2025, Tesco received an online order for a new phone which they believed had been submitted by Mrs P. To help fund the purchase Tesco agreed to lend Mrs P around £540 by means of a fixed sum loan agreement. Tesco appointed a courier, who I'll refer to as D, to deliver the device to Mrs P's home address. According to D the package was successfully delivered to Mrs P a couple of days later. Records show the first instalment for the credit agreement was paid using a credit card held in Mrs P's name. Tesco collected the next three payments by direct debit from Mrs P's current account. But Mrs P arranged for those three payments to be reversed by making a direct debit indemnity claim to her bank.

In July 2025, Mrs P contacted Tesco to enquire why she was being charged for a phone she hadn't received. Tesco responded by saying D had provided photographic and GPS evidence to support the phone had been successfully delivered to Mrs P. Mrs P told Tesco she'd refused the delivery and handed the package back to the courier, who had left with it. Tesco said D had no record of the delivery being declined. Mrs P later told Tesco she hadn't ordered the phone nor applied for the linked credit agreement – she believed someone had fraudulently impersonated her.

Tesco responded to Mrs P's complaint by saying their fraud team didn't think Mrs P had been the victim of impersonation fraud. Tesco also said they were satisfied the phone had been successfully delivered to Mrs P. So, they declined to cancel the credit agreement or arrange for the missed payments to be removed from Mrs P's credit record. Unhappy with Tesco's response Mrs P asked the Financial Ombudsman to consider the matter.

Our Investigator didn't uphold the complaint, but Mrs P didn't accept their findings. In summary, Mrs P has said:

- It's unfair that Tesco has declined to divulge the location, IP address, device and digital footprint relating to the order as she believes this will show she didn't make or authorise it.
- The evidence doesn't definitively prove she took delivery of the phone.
- No evidence has been provided to show the phone has ever been activated or used.
- The email address used to open the account does not belong to her. So, she didn't receive any of the emails Tesco says they sent to that email address.

So, the complaint came 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 that 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 want to assure Mrs P and Tesco that I've reviewed everything on file. And 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.

I also want to acknowledge that Mrs P has appointed a representative to act on her behalf in relation to this complaint. Some of the events I highlighted above were undertaken by Mrs P's representative – not Mrs P. But for ease I will continue to refer to Mrs P.

The device was bought using a regulated fixed sum loan agreement, and our service is able to deal with complaints relating to these sorts of agreements.

Mrs P is alleging two things. Firstly, Mrs P says she didn't consent to or authorise the application for the phone and linked credit agreement. Secondly, Mrs P says there was a breach of contract because Tesco didn't supply the device, so it's unfair for Tesco to hold her liable for the linked credit agreement.

I understand why Tesco considered there was inconsistencies in the information Mrs P provided to them. Initially, Mrs P contacted Tesco to enquire why she was being charged for a device she says she hadn't received. It was only later Mrs P clarified she had declined to accept the package from the courier. Later still, Mrs P alleged she hadn't authorised or consented to the application and the linked credit agreement. So, I appreciate why Tesco had concerns about this.

Application

The order was made online. Mrs P says the email used in the application has never been used by her and she's no access to it. Looking at the email address, I accept it comprises of a name that appears to be unconnected to Mrs P. But it's not unusual for people to own and use multiple email accounts.

Apart from the disputed email address, it seems all the other entered details were correct and true as they related to Mrs P's personal information. This included Mrs P's residential address and contact telephone number. In addition, I note the first payment was made using what appears to have been Mrs P's credit card and direct debits were successfully collected by Tesco from Mrs P's current account. Records show Tesco posted a copy of the new credit agreement and direct debit mandate to Mrs P at her residential address. So, even if I accept Mrs P didn't receive any of the emails Tesco issued, I think it's fair to say it's likely she received the postal correspondence. I don't know why Mrs P didn't contact Tesco following receipt of this in February 2025.

Given the amount and depth of information an alleged fraudster seems to have had access to, I'd typically have expected many fraudulent accounts to have been opened in Mrs P's name. But Mrs P hasn't made Tesco nor this service aware of any other fraudulent or suspicious activity.

Mrs P says Tesco should provide her with the location, IP address, device and digital footprint relating to the order as she believes this will show she didn't make or authorise it. Tesco says they're unable to provide this information. Even if this data was available, I'm not persuaded it would alter the outcome. I say this because I'm aware it's possible to mask or alter this sort of data – for example by using a virtual private network (VPN) or proxy server.

Tesco has said it's their understanding the phone has never been activated or used. As such, this doesn't give any clue as to the phone's current location or how it ended up in that location. Mrs P says this supports she never received it, but I'm not persuaded this is the case.

With regards to this type of impersonation fraud, the delivery address is normally different to the individuals actual home address - the aim of the fraud is for the fraudster to obtain the device for sale. But here, it's not disputed that the delivery address was Mrs P's residential address. I'm also mindful the ordered phone was an older model and worth considerably less than the available newer versions. Again, this doesn't fit the normal pattern I'd expect to see for this type of fraud. So, I appreciate why Tesco had concerns about how a fraudster was going to benefit financially from the alleged fraud.

Overall, I've not seen enough to safely conclude that Tesco reached an unfair outcome when determining that, on balance, Mrs P had likely applied for the phone and linked credit agreement.

Phone delivery

I'm never going to know what happened to the device as the evidence is incomplete. Tesco faced those same evidential challenges. Where the evidence is incomplete or inconclusive, I must reach my decision on the balance of probabilities.

The photograph taken by the courier shows a package being handed to someone at an open doorway. And the GPS data shows this was Mrs P's address. It seems the person in the photograph was Mrs P. I say this because Mrs P has said she handed the device back to the courier and they left with it. It's possible the package could have been retained by the courier. Neither the Financial Ombudsman nor Tesco can investigate D. D responded to Tesco to say they'd found no evidence to show the package had been tampered with prior to delivery and they had no record of the delivery being declined – their records showed the package containing the phone was successfully delivered to Mrs P.

The evidence isn't conclusive. I'll never know for certain what did happen. However, if the courier stole the device this would comprise of a very serious allegation. Unlike a court, I'm unable to summon witnesses for cross examination. And Tesco would have faced similar hurdles. So, it's difficult to reach firm conclusions in the informal forum that I'm able to investigate this complaint. But I think Tesco took account of all the available information before responding to Mrs P's complaint.

Overall, I don't think I've seen enough to safely conclude that Tesco reached an unfair outcome when determining that, on balance, it was more likely than not that the phone was successfully delivered to Mrs P. So, I'm unable to say Tesco acted unfairly when not cancelling the linked credit agreement and requiring Mrs P to pay the outstanding balance.

Tesco is obligated to report true and accurate information to the credit reference agencies. I haven't seen anything to show me Tesco told Mrs P that they wouldn't report missed payments and defaults to the credit reference agencies. Nor have I seen anything to show that what Tesco has reported isn't accurate. In all the circumstances, I think it was fair for Tesco to pass on the missed payment information to the credit reference agencies. So, while

I appreciate Mrs P believes the loadings on her credit record are unfair and will have an impact on her being able to secure future credit, I don't require Tesco to remove them.

To be clear, I'm not saying that something definitely hasn't gone wrong but, on balance, I don't think Tesco received enough evidence to show the device was fraudulently applied for and wasn't successfully delivered to Mrs P. Mrs P doesn't have to accept this decision. She's free to pursue the complaint by more formal means such as through the courts, where witnesses may be able to be called and cross examined. While I appreciate Mrs P has strong feelings about what's happened and it's likely she'll be disappointed with my decision, I'm not going to direct Tesco to take any further action in relation to this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 19 May 2026.

Carl Bibby
Ombudsman