

complaint

In summary, Mr R has complained about how Telefonica UK Limited has dealt with a dispute he's had with it. In particular he's unhappy that it referred a debt in relation to one of his accounts to a debt collection agency.

background

Mr R had 2 accounts with Telefonica. Due to concerns he had about account ending - 53, he stopped payments in relation to account ending - 13.

Telefonica cancelled Mr R's account ending - 13. And it sold the debt in relation to that account to a debt collection agency.

Mr R wasn't happy with what Telefonica did and complained to it. In relation to account ending - 13, Telefonica said that it wouldn't agree to recall the debt and waive it. It believed the debt was valid. It wouldn't offer to remove any defaults from his credit file.

One of our investigators looked into Mr R's complaint. She was of the opinion that Mr R should've continued to make his payments in relation account ending - 13. As his unresolved dispute wasn't related to the payments he stopped on that account. She didn't think it was right for him to have stopped them. And she didn't think it was wrong of Telefonica to have referred his debt to a debt collection agency.

Mr R didn't agree. In summary he thought the accounts were linked as they were with the same provider. And he had stopped payments as he had lost confidence in Telefonica.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm not going to uphold Mr R's complaint. I'll explain why.

As well as the complaint I've summarised above, Mr R has also had complaints about the service he's received from Telefonica. These have been looked at by the communications ombudsman. For the avoidance of doubt, I've only considered Mr R's complaint about what Telefonica has done in relation to the finance agreement ending - 13, which he stopped making payments for.

I do understand that Mr R doesn't believe that he has been treated fairly by Telefonica. But whilst I appreciate Mr R's two accounts were both with Telefonica, they were separate legal agreements. I realise that Mr R was unhappy with the way he had been treated by Telefonica. But I don't think it was reasonable for Mr R to stop payments on an unrelated account to the one that he had a dispute with Telefonica about. I think Mr R should've continued to make payments to his other account.

I can see that Telefonica wrote to Mr R informing him that his account was in default. And I'm satisfied from the information I've seen that he would've been aware that his account was in default and that if his account wasn't settled that Telefonica would Inform the credit reference agencies about the overdue amount. And that this may affect his credit rating. Telefonica also told Mr R that if his bill wasn't settled it would pass or sell his account to a debt collection agency or a debt purchaser.

Mr R's account remained in default. So, having informed Mr R what might happen if his account wasn't settled, I don't think Telefonica did anything wrong in selling the debt to a debt collection agency. And it doesn't need to make any changes to his credit record, as his account has been in default.

my final decision

For the reasons I've set out above, my decision is not to uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 November 2017.

Simon Dibble
ombudsman