

The complaint

Ms O has complained Virgin Media Mobile Finance Limited continued to hold her liable for payments for a mobile handset credit agreement.

What happened

Ms O took out a credit agreement with Virgin Media in October 2020 to make payments over three years for her mobile handset.

After the merger between Virgin Media and O2 in 2023, Ms O's airtime contract was taken over by O2.

Ms O got a new handset and took out a credit agreement with Telefonica, trading as O2. She was surprised when later Virgin Media took three further monthly payments of £28 from her bank account to pay off her original credit agreement.

She complained to Virgin Media about these charges which she believed she'd not be liable for as that credit agreement would end after the merger. Virgin Media confirmed they'd sent her updates about the merger. This confirmed any mobile handset loan agreements would not be affected.

Still unhappy Ms O brought her complaint to the ombudsman service. Our investigator didn't believe Virgin Media had done anything wrong and wouldn't ask them to do anything further.

Ms O has asked an ombudsman to consider her complaint.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

From Ms O's contact records held by Virgin Media, I can see she, along with Virgin Media's other customers, were regularly being sent updates about the merger. This provided Ms O with a link to the website and responses to frequently asked questions. I can see this included a confirmation that customers' loan agreements for handsets were not affected by the merger and those would continue to remain with Virgin Media.

I know Ms O called Virgin Media in June and July 2023 to discuss an upgrade of her existing mobile and wasn't happy with the offers they had available to her. She then approached O2.

This complaint is about Virgin Media. They and O2 remain separate legal entities so I don't know what O2 did or didn't tell Ms O about taking out a new credit agreement. And whether they confirmed a new credit agreement would bring an end to her existing credit agreement. However, I believe as the details of the merger and the impact on customers would be well known to both entities, I'd be surprised if she would be told this.

What I am sure about is there's nothing to suggest Virgin Media told Ms O that her existing credit agreement would stop when her airtime contract moved to O2.

I appreciate Ms O's strong feelings about what happened and that this has had a financial impact on her. But I won't be asking Virgin Media to do anything further as I don't think it would be fair and reasonable.

My final decision

For the reasons given, my final decision is not to uphold Ms O's complaint against Virgin Media Mobile Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 8 April 2024.

Sandra Quinn
Ombudsman