

## **The complaint**

Miss I has complained Telefonica UK Limited, trading as O2, is asking her to repay a debt for an iPhone, through their credit collection agents, which she has already paid.

## **What happened**

In October 2021 Miss I took out a credit agreement for an iPhone 13. She ended up paying this off through a credit collecting company, who I'll call M, in March 2023. In August 2023 she was still receiving correspondence from M asking her to repay a debt of £2,955.01.

She brought her complaint to our service.

O2 explained that at different times Miss I has taken out three different credit agreements for three different mobiles. They also explained their process for managing debt is to use two different collection agencies at different parts of the collection process. I'll refer to the other collection agency as L.

Our investigator confirmed there were three different credit agreements and that one of these, as Miss I had confirmed, was repaid in March 2023. M was asking Miss I to repay the other credit agreements taken out in July and November 2019, along with money owed for airtime.

Miss I confirmed she'd had debts with L which were part of her Individual Voluntary Agreement (IVA). She believed these had all been settled when it was confirmed her IVA had concluded. Her understanding was that the two credit agreements taken out in 2019, along with the airtime debt, had therefore been settled.

Our investigator noted it was not O2 that was asking Miss I to repay any debt – it was M.

Miss I asked for an ombudsman 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.

Having done so, I'm able to confirm that I won't be asking O2 to do anything further. I'll explain why.

Miss I has taken out three different credit agreements with O2. To confuse matters further each agreement is linked to a separate address.

- In July 2019, she took out an agreement for an iPhone XS. She was to repay £1,188 (ref:1040620247)
- In November 2019 she took out a further agreement for an iPhone 11 Pro. She was to repay £1,279.44 (ref: 1041760343)

- In October 2021, she took out an agreement for an iPhone 13 Pro. She was to repay £1,025.84 (ref: 1047904465)

There is no dispute the last of these agreements was paid off and fully settled in March 2023.

The first two agreements were merged into one customer number (1038547817) along with airtime debt when Miss I was unable to pay in 2020. This is the debt of £2,955.01 that M has asked Miss I to repay.

I've reviewed Miss I's IVA. O2 has confirmed they had no knowledge of the IVA but contacted L directly. They've been able to confirm the reference on this agreement (1038547817) refers to a debt they sold to L. This was only sold to L after it was initially passed to M and then passed back to O2. I'm satisfied this debt was cleared as part of Miss I's IVA.

This will be no consolation to Miss I but O2 is not asking her to repay any further debt, as they agree their debts relating to the three agreements have been settled – in part by selling two of them to L.

I'd suggest Miss I shares a copy of this final decision to M. This will demonstrate to them that as far as I can see the debt they seem to be asking her to pay has already been settled. Miss I has a right, of course, to pursue a further complaint against M but I won't be asking O2 to do anything further.

### **My final decision**

For the reasons given, my final decision is not to uphold Miss I's complaint against Telefonica UK Limited, trading as O2.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 13 May 2024.

Sandra Quinn  
**Ombudsman**