

The complaint

Ms A complains that Vanquis Bank Limited unfairly registered a default on her credit file without telling her.

What happened

Ms A says Vanquis registered the default in September 2019, but she didn't receive any notice of that. She says that had she known then she would have made a payment and says her mail was stolen and so didn't receive any letters from Vanquis. Ms A says there is no evidence Vanquis sent her any letters in any event and questions why it couldn't e-mail her. She says she has been suffering from health problems and Vanquis's actions has caused stress. Ms A would like the default removed and also says Vanquis passed her account to a third party company.

Vanquis says it agreed three repayment plans with Ms A in April, May and June 2019 and sent three default notices to Ms A at that time. It says no payments were made and so it sent further default letters to Ms A in June and July 2019 before registering a default in September 2019. Vanquis says it also sent numerous text messages to Ms A about the lack of payments and told her that it was passing her debt to a third party company.

Ms A brought her complaint to us and our investigator didn't uphold it. The investigator thought Vanquis had tried to help Ms A by agreeing a number of short term plans with her and had sent a number of default notices to her in addition to the text messages. The investigator didn't think Vanquis was responsible for the safe delivery of mail and was entitled to register the default.

Ms A doesn't accept that view and in summary says she wasn't told the account would default and questions if Vanquis has followed the Information Commissioners Office (ICO) guidance. She would like the default removed.

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 have come to the overall view that Vanquis hasn't made a mistake or acted unfairly. I appreciate that Ms A will be disappointed by my decision.

I have looked carefully at Vanquis's records of its contact with Ms A. I'm satisfied that a number of default notices were sent to Ms A at her address as well as numerous text messages sent to her telling her that she hadn't kept to the terms of any of the repayment plans. I'm also satisfied that Ms A made a payment to Vanquis in March 2019 and there were no further payments for over six months. And in that time Ms A didn't make the required payments she said she would. So I don't think in those circumstances Vanquis made a mistake or acted unfairly by registering a default on Ms A's credit file.

The ICO guidance on the registering of defaults says a default should be registered after three to six months of missed payments. So I think Vanquis has acted inline with that guidance and correctly concluded the relationship between the parties had broken down.

Lenders should treat cases of financial difficulties positively and sympathetically. I'm satisfied Vanquis has acted in such a way here by agreeing three short term plans that were designed to help Ms A, and by trying on numerous occasions to make contact with her by letter and text messages.

I appreciate that Ms A says her mail was stolen and questions if Vanquis sent the default notices in any event. I'm satisfied the letters were correctly addressed and think it unlikely Vanquis would go to the trouble of preparing letters but not actually sending them. I can't fairly hold Vanquis responsible for Ms A not receiving those letters as it's not responsible for the safe delivery of mail. In any event I think Ms A ought to have been aware of the position she was in and that she was required to make monthly repayments in line with agreed terms and conditions. I also think she would have been aware that three short term repayment plans had been agreed that she didn't keep to the terms of, and that she didn't make a payment for over six months. And that she didn't have contact with Vanquis for about three months.

Overall I'm satisfied that Vanquis tried to help Ms A and didn't act unreasonably by registering the default. I have made clear that I think Ms A ought reasonably to have been aware that would take place even if she didn't receive any of the default letters or text messages. I don't think Vanquis made a mistake by passing the debt to a third party company for collection and I'm satisfied it told Ms A that it was doing so. For those reasons I can't fairly order Vanquis remove the default from Ms A's credit file.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 30 August 2020.

David Singh
Ombudsman