

## The complaint

Mr R complains that Vanquis Bank Limited (Vanquis) incorrectly registered a default on his credit file.

## What happened

Mr R had a credit card account with Vanquis. Mr R says he agreed a payment plan with Vanquis, but even so a default was registered on his credit file due to a misunderstanding on the start date of the plan. Mr R says he wants the default removed as it is causing him problems applying for credit elsewhere.

Vanquis says that while they accept the communication with Mr R was unclear, as he had been given written notice of the payment plan, they had acted correctly in marking his credit file with a default, as they are obliged to provide accurate information. They accept the communication was unclear and paid Mr R £75 by way of an apology.

Mr R wasn't happy with the response from Vanquis and referred the matter to this service.

The investigator looked at all the available information and upheld the complaint. He felt that the communication between Vanquis and Mr R was ambiguous and the default should be removed from Mr R's credit file.

Vanquis were unhappy with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

I sent both sides a provisional decision, where I said :

*I've considered all of the evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Having done so, I have come to a similar outcome as the investigator but with a slightly different resolution and I will explain how I have come to my decision.*

*What happened here was in late January 2020 Mr R received a notice his account would be passed to a debt collection agency. A couple of weeks later, Mr R contacted Vanquis by email to discuss this and the access to his account online. I can see at this point Vanquis apologised for the access issues and began negotiations with Mr R for a payment plan to be put in place. After establishing affordability an agreement was made to accept £25 per month to begin in February 2020. What is important here is, in the email chain over a period of an hour or so, Vanquis then suggest to Mr R, given he was paid towards the end of each month, they would commence the payment plan on the 1st April 2020.*

*When looking at this I can understand both sides view here as Vanquis says they meant the continuous payment authority would begin in April in addition to the initial payment in February, which they say they confirmed in writing to Mr R. I have considered this carefully but having read the email chain I can see that Mr R would have assumed the payment plan was beginning in April especially as Vanquis were agreeing, in an attempt to support him, to tie his payments to the date close to his salary. This seems to be supported by the fact that*

*Vanquis have recognised the confusion and made a payment to Mr R of £75 by way of compensation.*

*The investigator says as a result of this ambiguity created here Vanquis should, on top of the compensation paid, correct the credit file to remove the default marker.*

*Vanquis are unhappy with this as they say they have a duty to report accurate information to credit agencies. While Vanquis are correct here, the issue is, by giving misleading information as to when the plan should commence, Mr R wasn't given the opportunity to make the payment in February and this is supported by the fact he did make payments on time thereafter.*

*While Mr R may not agree, I can't see that the reason for him not being able to obtain funding elsewhere can solely be attributed to this default against his credit file, so I don't uphold that part of his complaint.*

*On balance, I support the overall view of the investigator here, but I would say that Mr R's credit file should correctly show what was agreed with him. The investigator says the default marker should be removed and I agree with this, but in its place a notice of a payment plan should be recorded here.*

*This slightly differs from the investigator's outcome, and I say this because I am satisfied this is what would have happened, if the communication regarding the payment plan arrangements had been made clearer to Mr R.*

*While Vanquis will be disappointed with my decision, I am satisfied this outcome more accurately portrays the situation and is a fair resolution to the complaint made by Mr R.*

Both parties have accepted my provisional decision, so the case has been passed back to me to make a final 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.

I gave both Mr R and Vanquis until 17 December 2020 to accept or reject my provisional decision, as both parties have accepted what I have said in my provisional decision I see no need to change or add to this and so my final decision remains the same.

### **Putting things right**

I instruct Vanquis Bank Limited to amend Mr R's credit file to reflect a payment plan was in place rather than the existing default.

### **My final decision**

My final decision is that I uphold this complaint and instruct Vanquis Bank Limited to amend Mr R's credit file to reflect a payment plan was in place rather than the existing default.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 22 December 2020.

Barry White  
**Ombudsman**