

The complaint

Mr S is unhappy that Vanquis Bank Limited (Vanquis) didn't tell him about a remaining debt on his credit card account which it reported to credit reference agencies.

What happened

Several years ago, Mr S entered into a debt management plan through an external organisation ('Agency A') to pay an outstanding balance on his Vanquis credit card account. As part of setting this up, Vanquis provided Agency A with information on the outstanding debt. Mr A made his payments to Vanquis through Agency A.

In 2020, Mr S confirmed with Agency A that he had paid off his debt. However, Vanquis then contacted Mr S to say there was still an outstanding debt. As Mr S had now missed some payments, Vanquis reported these to credit reference agencies.

Mr S complained to Vanquis. When Vanquis replied it said it was satisfied that Mr S was aware for some time that Agency A held a lower balance than Vanquis. This was because Mr S had previously raised a complaint about this, which Vanquis had responded to. Mr S had also spoken to Vanquis on the phone about the debt. Vanquis said it was required to provide factual updates to credit reference agencies. However, as Vanquis provided incorrect information during a phone call about whether Mr S's debt had been sold, it offered him £25 compensation.

Mr S complained to this service. Our investigator didn't uphold the complaint. He said he thought it was more likely than not that Mr S was aware of the additional balance that was payable and that it was reasonable for Vanquis to have reported the missed payments to credit reference agencies.

As Mr S did not agree, the complaint has been referred to me.

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, although I'm aware this will disappoint Mr S, I don't uphold this complaint. I will explain why.

In November 2018, Mr S contacted Vanquis to say that he had received a statement from Vanquis that had a higher balance than that held by Agency A. Mr S provided the two balances. I listened to that phone call to confirm what was discussed. On that basis, I'm satisfied that Mr S was aware that Vanquis had a higher balance than Agency A and that he knew what that amount was.

Mr S then complained to Vanquis. Vanquis replied to the complaint and explained that it had received two direct debit indemnities about 18 months after Mr S entered into the debt management plan. These totalled about £400. As a result, this amount was added to Mr S's

Vanquis account and caused the balance to increase. Vanquis confirmed the outstanding balance and said this would need to be cleared in full before the account could be closed. It advised Mr S to contact his bank if he had any queries about the direct debit indemnity.

Mr S said he didn't receive Vanquis' response to his 2018 complaint. I've looked at the address on Vanquis' letter. Based on the records I've seen, this was sent to the correct address. Vanquis also provided a screenshot that showed the record from its system of when it had been sent. So, I think it is more likely than not that Vanquis sent the letter. However, once it entered the postal system, Vanquis wasn't responsible for its delivery, so it can't be held responsible for whether it arrived or not.

When Mr S complained in November 2018, he still had over a year left on his debt management plan. So given he was aware that there was a difference in the balances held by Vanquis and Agency A, I think that Mr S had the opportunity to follow up with Vanquis if he didn't receive the reply or was uncertain about how much of his debt was still outstanding. However, I don't think that Vanquis had any reason to think Mr S was unaware of the amount he still had to pay or that he hadn't received a reply to his complaint. Vanquis also didn't have a duty to contact Agency A to update the balance it held. It was for Mr S, in discussion with Agency A, to ensure that his debt management plan covered all of the outstanding debt.

Vanquis did, however, have a duty to provide information to credit reference agencies about Mr S's account. So it was appropriate for Vanquis to provide them with information about the missed payments.

So, thinking about all of the above, I'm satisfied that Vanquis told Mr S about the amount that he owed and that it was reasonable for it to report the missed payments to credit reference agencies. I don't uphold this complaint or require Vanquis to do anything further.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 February 2021.

Louise O'Sullivan
Ombudsman