

The complaint

Mr D complains Vanquis Bank Limited sold a debt in his name, which he says he isn't responsible for, to a third party and has unfairly recorded negative information on his credit file.

What happened

Mr D says he had a car finance application declined. This led to him checking his credit file and he discovered a default had been recorded by a debt collection firm. They said the default related to a credit card issued by Vanquis. Mr D said he'd never applied for or used a Vanquis credit card, so there shouldn't be any adverse information recorded on his credit file relating to one. Mr D got in touch with the debt collector and Vanquis and he discovered some information about the account.

The credit card was applied for in Mr D's name in May 2014. Three cash withdrawals in July and early August 2014, along with various fees and charges, took the account over its £250 credit limit. The first payment made towards the card in September 2014 was returned unpaid. Vanquis spoke to Mr D on at least three occasions in late 2014 and early 2015 about the arrears on the account.

A default was recorded against Mr D in June 2015 and the account was sold to the debt collection firm in October of the same year.

In February 2019 Mr D complained to the debt collection firm. Though it didn't think the information had been recorded incorrectly, it took the decision to no longer pursue the outstanding debt and remove the default from Mr D's credit file.

Mr D then complained to Vanquis. He said the information on the application form he'd received wasn't correct. He also pointed out a difference of about eight months between the date of the applicant's signature and that of Vanquis'.

Vanquis responded to Mr D's complaint. It said he'd failed to return a fraud declaration they'd sent to him and, without that, they wouldn't investigate further.

One of our investigators looked into the complaint. Ultimately, they were persuaded Mr D entered into the agreement, particularly given the content of telephone call recordings between him and Vanquis that they'd listened to.

Mr D disagreed. He said that he thought he was speaking to another credit card provider during the calls, not Vanquis. He's also told our investigator that he wasn't in the country when the application form was signed and wouldn't have used one of the cash machines that money was withdrawn from.

He said adverse information was still appearing on his credit file and he'd like it removed. He's also asked for compensation for the distress and inconvenience caused.

So, the complaint has been passed to me to decide.

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 not upholding it. I'll explain why.

The question I need to consider is whether Mr D entered into the credit agreement and carried out the transactions which took place. If he did, then it follows it's fair and reasonable that Mr D is responsible for the debt and Vanquis haven't made an error by selling his account to a third party.

The application form contains not just Mr D's correct name, address and date of birth, but also the email address and mobile phone number that he has provided to our service. If, as Mr D suggests, an unknown third party applied for and used the card, it's unlikely they'd give Mr D's correct contact information. Doing so would only risk discovery and would provide no obvious benefit. It also jars with what Mr D has said about information on the application form being incorrect.

I've listened to the calls between Vanquis and Mr D. He says he believed throughout that he was speaking to a different credit card provider. I don't find this explanation to be persuasive. Each call begins with the adviser asking Mr D whether he is the Vanquis card holder. On each occasion Mr D confirms he is – only once does he mention another credit card provider, and this is quickly corrected by the adviser. The calls contain detailed discussions about the balance, payments that have been made and further contact. If Mr D did believe he was speaking about another account, then it's hard to see how this wouldn't have become apparent to him during the course of three separate calls.

In addition, statements, the card and PIN and other letters (including arrears and default notices) would have been sent to Mr D's address. If he didn't have any knowledge of the account, then these would have had to have gone unnoticed (or been ignored) by him too. Vanquis' records also show some payments were made towards the account balance. And correspondence was received from the account holder in June 2015 advising that they were out of the country. It's hard to see what benefit there would be for a third party, impersonating Mr D for financial gain, to have done these things.

Mr D has highlighted a discrepancy between the date the agreement was signed by the applicant and the date it was signed by Vanquis. Vanquis suggest this was because agreements are sometimes signed by them in batches at a later date. This doesn't seem an unreasonable explanation to me. In any case, I don't think this point is as significant as Mr D suggests.

There's compelling evidence in the form of statements, telephone call recordings, contact notes and letters which show the card was being used prior to Vanquis signing the application form. So, I don't think this apparent discrepancy is relevant in deciding whether Mr D entered the agreement.

And while I've considered everything that Mr D has said, I'm unable to put much weight on his other points, particularly in light of the evidence I've already explained. Even if I accept Mr D was out of the country, as he claims, this would not have prevented him from signing the application at some stage. And neither is there any persuasive evidence to suggest he couldn't or wouldn't have used a particular cash machine.

Mr D was asked to provide a copy of his credit report by the investigator, but I can't see this has happened. So, it's not entirely clear what information still remains on Mr D's credit file, if

anything at all. But, in any case, I'm satisfied it's more likely than not Mr D entered the credit card agreement as well as received and used the card. So, Vanquis hasn't made a mistake by holding him responsible for the debt, recording information on his credit file before they sold it, or in selling the account to a third party. Therefore, I won't be asking them to do anything further.

I understand the debt collection firm agreed to remove the default from Mr D's credit file. If that hasn't happened, then that's something Mr D will need to take up with the debt collection firm directly.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 May 2021.

Ben Murray
Ombudsman