

## **The complaint**

Ms M is unhappy that Vanquis Bank Limited didn't record a default against her account when her account was in arrears and had entered a debt management plan in 2014.

## **What happened**

Ms M had a credit account with Vanquis. In 2014, Ms M encountered financial difficulties and entered a debt management plan.

Ms M had several other creditors at that time, all of whom recorded a default on her credit file at the point that she entered the debt management plan. However, Vanquis didn't do this, but instead accepted the payment plan proposed to them and recorded this on Ms M's credit file moving forwards.

More than six years have now elapsed since Ms M entered into the debt management plan, and the defaults recorded by her other creditors at that time no longer show on her credit file because of this. But because Vanquis accepted the payment plan, which Ms M was only able to settle in 2019, details of this payment plan are still visible on her credit file.

Ms M wasn't happy about this and thought that it wasn't fair that details of the repayment of her balance with Vanquis should remain visible on her credit file. So, she made a complaint.

Vanquis looked at Ms M's complaint, but they noted that they were entitled to accept the payment plan and that they had made accurate reports to the credit reference agencies about this. So, they didn't uphold the complaint.

Ms M wasn't satisfied with Vanquis' response, so she referred her complaint to this service. One of our investigators looked at this complaint, but they also felt that Vanquis were entitled to accept the payment plan, so they didn't uphold the complaint either.

Ms M remained dissatisfied, so the matter was escalated to an ombudsman for 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 can understand why Ms M would prefer that her account had been defaulted by Vanquis in 2014 and recorded as such on her credit file. But I'm not convinced that, by Vanquis accepting the payment plan proposed to them, an unfair outcome has arisen as a result.

I say this because when a customer has borrowed money, either via a set loan amount or by a line of credit, it's almost always going to be the case that this service will consider it fair that the customer pays that money back. And I think that's the case here.

It follows from this that Vanquis were entitled to choose a reasonable course of action which they believed offered them the best chance of recovering the outstanding balance that Ms M owed to them.

And given that that details of the proposed payment plan meant that the outstanding balance would be cleared in a period of approximately four and a half years, and that the proposed monthly payment was a significant percentage of the contractual minimum payment, I am satisfied that Vanquis were entitled to accept the payment plan that was proposed to them as a part of Ms M's overall debt management plan.

I understand that Ms M's other creditors took a different course of action to Vanquis and applied defaults to her credit file at that time. But it doesn't follow from this that Vanquis should have followed the same course of action, and they were entitled to make their own assessment of how they wanted to proceed.

What this service would expect is that Vanquis made accurate reports to the credit reference agencies regarding this payment plan. And having reviewed Ms M's credit file, it appears that they did that here. And I note that the regular payment amount reported to the credit reference agencies was the monthly repayment amount proposed as a part of the debt management plan.

So, it's difficult for me to conclude that Ms M has been treated unfairly or unreasonably here. I realise that this won't be the outcome that Ms M was wanting, but it follows that I won't be upholding this complaint or asking Vanquis to take any further action at this time.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 5 April 2021.

Paul Cooper  
**Ombudsman**