

## **The complaint**

Mr M complains that Vanquis Bank Limited continued to hold him responsible for an account that he hadn't applied for.

## **What happened**

Mr M received contact late in 2019 about an account at Vanquis. He sent a letter in December 2019 saying that he hadn't opened this account. In February 2020 he was contacted by a debt collector about the borrowing and told it the same thing. He didn't hear anything further and complained. In July 2020 Vanquis offered to pay him £100 but said its investigation wasn't complete. He referred his complaint to this service in August 2020.

Since then Vanquis has written to Mr M on 24 September 2020 stating that it has confirmed that the account was opened fraudulently. It says it had asked that the account be closed and information about it be removed from credit reference agencies.

Our investigator didn't recommend it do anything more. He said that it was clear that there had been a delay before this was looked into by Vanquis which could have been avoided. He was satisfied that the correct action had now been taken. Mr M said that during the investigation he had unsuccessfully applied for car finance with a different financial business. Our investigator said he couldn't conclude that the fraudulent application with Vanquis was the sole reason the application was declined. And Mr M would need to raise any concerns with the other business about it refusing now to look at his application again and the markers it had added to his credit file. He also didn't think that Vanquis could be responsible for the impact on Mr M's health and he said the offer was reasonable. It was a matter for Vanquis to decide how to assess an application. And Mr M's point that it had still not provided all the information from Vanquis he requested in December 2019 was one that he could take up with the Information Commissioner's Office if he wanted.

Mr M didn't agree and wanted his complaint to be reviewed by an ombudsman.

### *my provisional decision*

I issued a provisional decision on 28 January 2021. I set out below what I said.

I'd looked closely at the timing of what happened here. Mr M said that he started to get contact from Vanquis about this borrowing in October and November 2019. He wrote a letter about this dated 16 December 2019 which Vanquis accepts it received on 24 December 2019. In a final response to the complaint it says that it wanted *"to apologise that an investigation hasn't been initiated sooner as it should've been"*.

Mr M was contacted by a debt collector in February 2020 and it said it referred the issue back to Vanquis. Mr M says he has no issue with its actions.

The next record of contact from Mr M is in June 2020 and this led to a final response from Vanquis in July 2020 offering to pay him £100 and saying that the matter was still being investigated. Mr M continued to contact it and then referred his complaint to this service. The

notes from Vanquis say that it had requested a copy of a fraud declaration by 29 July 2020 and had received a copy back from Mr M by 10 August 2020.

I agreed with our investigator that Vanquis needed to have time to look into Mr M's claim of identity theft. Here it took about two months from the time it requested information from Mr M. But that was only resolved nine months after Mr M first contacted Vanquis, and I thought that there was a delay of seven months that could and ought to have been avoided.

In his original letter Mr M makes reference to some history of past problems with identity theft and attempts to alert lenders to this. But I'm afraid it is a matter for Vanquis to decide how to assess an application and what to take into account. I could also see Mr M asked for documents about that application from Vanquis. Given that these now relate to accepted fraud and the involvement of a third party then if he isn't satisfied with the response that's something as our investigator says he can take up with the Information Commissioner's Office.

### *putting things right*

I didn't need to make a finding here about whether there was identity fraud. Because since this complaint was referred to this service Vanquis has decided that there was. And so, I now needed fairly to take into account that the person responsible for a considerable amount of distress and inconvenience to Mr M is the fraudster who somehow obtained enough information to impersonate him in this application and based on what Mr M says in other fraudulent applications with different businesses. Mr M's letter of December 2019 indicates the problems he had in the past and his wider knowledge of the issues.

He didn't receive a timely response from Vanquis which is its mistake. I didn't see as a result that Mr M could reasonably think that the matter was resolved especially when a debt collector had been in contact. And he did have to contact Vanquis again in June 2020 about this and continue to pursue this. He reasonably knew about this delay until June 2020 because he describes the stress it caused him. I was not clear when he made an application for car finance but to the extent he thought that this adverse information might affect him I thought he foresaw what he says was the impact. But in addition, I hadn't seen a copy of his credit record generally and whether there is other information on there that might have been relevant to the application in light of what he says about wider fraud. And in any event I didn't think I could say that this information from Vanquis was the sole reason for the decline and so that Vanquis Bank was responsible for that..

Mr M has described that he is in poor health which I didn't doubt. I needed to consider the impact of what has happened in light of that taking into account as I'd said what the fraudster seems to have done in a number of applications. I also recognised that he was contacted by a debt collector which following a timely investigation could most likely have been put on hold.

In light of this I didn't think that the compensation offered is sufficient. I knew Mr M wants a figure of well over £2,000. I needed to say to him that we don't make punitive awards and we publish guidance about trouble and upset. Having considered that and everything that has happened I reached my own judgement that total compensation of £300 is the appropriate amount.

**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.

Vanquis said it accepted my provisional decision. Mr M did not make any further comments about it.

As a result, I see no reason to depart from my provisional decision

**My final decision**

My decision is that I uphold this complaint and require Vanquis Bank Limited to pay Mr M £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 April 2021.

Michael Crewe  
**Ombudsman**