

## **The complaint**

Mr M complains that Vanquis Bank Limited continues to report a default on his credit file relating to a debt it sold to another business.

## **What happened**

Mr M had a credit card with Vanquis that was closed in April 2019. Vanquis reported the default along with the outstanding balance on Mr M's credit file. Earlier this year, Vanquis sold the debt to another business and noted the balance as satisfied on Mr M's credit file.

The new owner of Mr M's debt recorded a default on his credit file. Mr M complained to Vanquis and asked it to remove its default from his credit file in light of the information being reported by the new owner. Vanquis didn't agree and said it had amended his credit file to show the balance as settled but would continue to report the history of his account.

An investigator at this service looked at Mr M's complaint. They didn't think Vanquis had acted unfairly by continuing to record its entry on Mr M's credit file. Mr M asked to appeal, so his complaint has been passed to me to make a 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 understand Mr M feels he's being punished twice by having two defaults recorded relating to the same debt. And Mr M has told us a mortgage application was declined after a new default was recorded on his credit file by the new owner of the debt. I can understand Mr M's view and that defaults can have an impact when applying for other credit. I need to consider whether Vanquis has acted fairly when recording information about Mr M's account.

Businesses are required to report accurate information on a customer's credit file. Vanquis says that before the debt was sold it recorded the account as unsettled. But when it sold the debt, the balance was noted as settled on Mr M's credit file. The rest of the information about the account remains on Mr M's credit file, including the payment profile, and I think that's worth noting. The new owners of the debt will only record current information about its dealings with Mr M. I'm satisfied Vanquis is reporting historic information about the settled debt and that its approach is reasonable.

Mr M's told us about different approaches taken by other businesses. But I can only consider Vanquis' actions when looking at Mr M's complaint. And, for the reasons I've given above, I haven't been persuaded that Vanquis made a mistake or acted unfairly.

I'm sorry to disappoint Mr M but as I'm satisfied Vanquis dealt with his complaint fairly I'm not telling it to do anything else.

**My final decision**

My decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 December 2022.

Marco Manente  
**Ombudsman**