

The complaint

Mrs M complains that Vanquis Bank Limited unfairly recorded late payment markers against her account.

What happened

Mrs M complained to Vanquis after finding out that her account debt was returned to Vanquis by a third-party debt collector. Mrs M is unhappy that Vanquis didn't notify her because she ended up missing repayments that were due and late payment markers were recorded against her account.

In its response, Vanquis explained that it wouldn't have notified Mrs M that her account had been passed back. Vanquis pointed out that it had sent Mrs M multiple statements around the time, setting out the repayments that were due. Mrs M says she didn't receive all the statements and adds that Vanquis only gave her a short period of time to make the first repayment, after her account was returned to the lender.

Remaining unhappy, Mrs M asked this service to review her complaint. She wants Vanquis to remove the late payment markers and pay her compensation for the distress she's experienced. Our investigator concluded that Vanquis acted fairly.

Mrs M didn't agree, 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.

I share the investigator's opinion that Vanquis has acted fairly – I'll explain why.

Mrs M's debt was passed back to Vanquis by the third-party debt collector - I can see Mrs M was sent a letter from the third-party in October 2021 advising her of this. Although it would've been good customer service for Vanquis to advise Mrs M separately, there's nothing in the agreement between the lender and Mrs M that obliges Vanquis to have done so.

Even though Vanquis didn't specifically notify Mrs M that the debt had been passed back, I think its general administration of her account was enough to make her reasonably aware of this change. I say this because Vanquis says it sent Mrs M statements in October and November 2021, advising her of the repayments that were due. I've seen copies of each, and both advise that a repayment is due by a certain date. Vanquis also sent Mrs M an arrears notice in November 2021. In my opinion, I think this would've made Mrs M reasonably aware that Vanquis is managing the account again and that she needed to make the repayments by a certain deadline. I've also seen an email Mrs M sent to Vanquis in September 2021, enquiring about her account appearing as live on her credit report. So I think it's likely Mrs M was aware that something had changed.

Mrs M says she didn't receive at least one of the statements I've referred to. I've looked at copies of all the statements Vanquis says it sent. I can see that all of these are correctly addressed, and I've seen nothing that suggests any mail was returned as undelivered, or that Mrs M experienced problems receiving her mail around the time. Vanquis also recently confirmed that these statements were mailed to Mrs M.

Moreover, as per Mrs M's email to Vanquis in September, it seems to me that she was aware that the account was live again. And I'm satisfied that Mrs M would've been reasonably aware that a debt remained. So I think Vanquis did enough to notify Mrs M that she needed to make the repayments that were due.

Mrs M says that Vanquis didn't give her enough time to make a repayment before the relevant deadline. She points to the letter from the third-party debt collector that was sent to her only a few days before the repayment deadline of 1 November. Although I empathise with Mrs M, as I pointed out earlier, Vanquis had sent her a statement around four weeks before the repayment was due. So I'm satisfied that the lender gave her a reasonable period to make this repayment.

Vanquis has a duty to report accurate information to credit reference agencies. As I explained, Vanquis took reasonable steps to notify Mrs M that repayments were due. Mrs M didn't make these repayments on time, so I think it was reasonable for Vanquis to have reported these as late payments.

For these reasons, I've decided that Vanquis acted fairly, so I won't be asking it to remove the late payment markers.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 17 March 2023.

Abdul Ali
Ombudsman