

## **The complaint**

Mr G complains that Vanquis Bank Limited (Vanquis) unfairly applied a default to his credit file. He would like this removed, and compensation for the distress and inconvenience.

## **What happened**

The details of this complaint are well known to both parties so I won't repeat them again here, instead I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- I appreciate Mr G found it distressing when Vanquis put a default on his credit file particularly as he told us at the time he was trying to set up a payment plan. Looking at Mr G's account history it seems his account fell into arrears when he didn't make payments over several months in 2022 at which point Vanquis issued the Notice of Default (NOD). The NOD gave Mr G 28 days to contact Vanquis to resolve the arrears on his account, but as he didn't do so Vanquis defaulted the account. I can't say Vanquis were wrong to do this, the account had been in arrears for some months and no arrangement agreed to resolve this.
- Mr G has also told us the default came as a surprise to him as he wasn't warned about it. I have seen 4 letters Vanquis sent Mr G between April and May 2022 advising him his account was in arrears and what he needed to do. These were correctly addressed so I don't know why Mr G didn't get them but did get the NOD letter. Vanquis has also evidenced that it called and sent text messages to Mr G numerous times in April and May 2022. So, I can't agree what Vanquis didn't make Mr G aware of the issues with his account prior to the default being placed on his credit file.
- Mr G has told us he was trying to come to an agreement with Vanquis. We do expect businesses to respond positively and sympathetically to consumers when in financial difficulties, But I haven't seen any evidence that Mr G made Vanquis aware he was having financial problems.
- Vanquis has given us copies of two telephone calls Mr G had with Vanquis in May 2022 which were before it applied the default to his credit file. In the first call Mr G queried why his payment hasn't gone through. It seems the issue was that Vanquis didn't have the correct bank details as Mr G had closed one of his accounts. Mr G declined Vanquis' offer to set up a new direct debit saying he would call the following week to make a payment and set up the direct debit at that point. At no point did Mr G say he was having financial problems. In this call Vanquis refunded late payment fees of £25.

- In the second call Vanquis asked Mr G if he was having financial problems but he said he wasn't. Vanquis offered to put Mr G onto a repayment plan but didn't do so as the amount per month Mr G said he could pay (£30) was roughly the equivalent of his monthly minimum payments. I don't think it was unreasonable of Vanquis not to set up a repayment plan as from what Mr G said he could cover the minimum payments. Vanquis asked Mr G if he could repay the arrears and then return to normal monthly payments. Vanquis reached an agreement that Mr G paid half of the arrears (£57) by 24 June 2022 and Vanquis wrote off the remaining half. I think Vanquis made reasonable attempts to investigate Mr G's circumstances and to help him to get his account back on track.
- I can't reasonably ask Vanquis to remove the default from Mr G's credit file as I think it provided sufficient warning of the default and engaged with Mr G to agree a way forward with his arrears. But as no payments were made to the account I don't think it was unreasonable of Vanquis to go ahead with putting the default on the credit file.
- I have noted Vanquis paid Mr G £25 compensation for not returning a phone call which I think was reasonable. But as I haven't found Vanquis to have been unreasonable in its actions I don't feel there are grounds to ask it to pay any further compensation as Mr G would like.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 December 2022.

Bridget Makins  
**Ombudsman**