

The complaint

Mr O complains that Vanquis Bank Limited defaulted his account without warning him.

What happened

Mr O had a credit card with Vanquis. In 2021 he moved house. In December 2022 Vanquis defaulted his account. There is a dispute about whether Vanquis ever sent him a default notice. The bank says it sent a default notice to his old address, because Mr O had failed to tell it he had moved. Mr O says he never received it. Furthermore, he says that when he asked to see a certified copy of that notice, the bank fabricated one. He claims that no notice was ever sent, because none had existed until he had asked for a copy. He therefore says that the default should be removed.

Mr O also says that he hadn't realised he had missed his minimum payments between August and November 2022, and that the first he knew about this was when he received a notice of sums in arrears in late December. He phoned the bank to pay off the account in full, but the bank's system was not working, and the call handler promised to call him back once it was working again. But the bank did not call him back. When Mr O called back a few days later, he paid off the balance, but by then the account had already been defaulted.

Mr O complained, but the bank told him that it had been his responsibility to update the bank about his new address. It also said it had tried to phone him and had sent him text messages about the missed payments, but had received no response.

Mr O then brought this complaint to our service. He said the bank should have emailed him. He pointed out that during the period when he had been missing payments, the bank had kept sending him marketing emails offering him loans and so on, which implied that his account was in good standing, so he had had no reason to suspect anything was amiss. He said the reason he thought the copy of the default notice was fabricated was because it did not have a barcode on the left hand edge of the paper, which had been on all of the bank's other letters to him. He asked for the default to be removed from his credit file.

Our investigator did not uphold this complaint. He said that the bank had done what it was supposed to do, and it had been Mr O's responsibility to keep the bank informed about changes to his address.

Mr O asked for an ombudsman's decision. He said he had made every effort to inform all of his creditors about his new address.

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 do not uphold it. I will explain why.

As has already been said, it was Mr O's responsibility to keep the bank informed about any

changes to his address. If he wrote to the bank to tell it he had moved home and this was lost in the post, so that the bank did not receive it, then this would not be Mr O's fault, but it is not the bank's fault either. My remit is to determine whether the bank made a mistake, and I cannot fault the bank for not realising that Mr O had moved to a new address and accordingly sent correspondence to the old address.

I accept that Mr O received marketing emails which led him to think that his account was in good standing. But that does not change the fact that it was his responsibility to keep an eye on his account and make sure that he was making his minimum payments each month. If he was receiving his credit card statements by post, then he should have noticed that he had stopped receiving them after he moved. And if he was getting them online, either by email or via a mobile banking app, then he should have noticed that the statements still had his old address on them. Either way, the bank told Mr O each month that it did not know about his new address, because his old address continued to appear on his statements until December 2022. That could have prompted him to realise that his original message had not been received, and that he needed to tell the bank again.

The bank was under no obligation to email the default notice to Mr O. (It did however try an alternative method of contact, which was to try and reach him by phone, by calling him and sending text messages. Unfortunately that was unsuccessful.)

I accept that Mr O did not receive the default notice, but that does not mean it was never sent. I don't think the absence of a bar code on the copy proves otherwise. On the balance of probabilities, I accept that it was sent, and that it was not received because it was sent to the old address. The default notice is not mentioned on the bank's internal account notes, but then neither is the notice of sums in arrears dated 4 December, which Mr O says he did receive, so I think the absence of these letters in the account notes is neutral evidence and does not mean that a default notice was not sent.

Mr O first became aware of the default on 13 December, when he received the notice dated 4 December at his new address, the bank having traced him there. He says he immediately phoned the bank to make a payment. The bank's own notes verify that its payment system was down, and that the call handler promised to call him back when it was working, and then failed to call him back. That was an error. However, as the account had already been defaulted four days earlier, on 9 December, this error did not cause or contribute to the account being defaulted.

I am therefore satisfied that the bank was entitled to default the account and that it followed the proper procedure to do so.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 18 December 2023. But apart from that, this final decision brings our involvement in this matter to an end.

Richard Wood
Ombudsman