

The complaint

Mrs S complains that Vanquis Bank Limited placed a late payment marker on her credit file.

What happened

Mrs D holds a credit account with Vanquis. She noticed that a late payment marker had been placed on her credit file and contacted Vanquis to query this.

Mrs S says that Vanquis told her that her continuous payment authority (CPA) of £33 wasn't enough to cover the amount due, and that as a result, a late payment marker had been applied.

Mrs S raised a complaint. She said that if she'd known that her CPA payment of £33 wasn't enough, she would've paid more.

Vanquis didn't uphold the complaint. It said that Mrs S had failed to pay the minimum amount due, and that the late payment had been correctly reported on her credit file.

Mrs S remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. They said they were satisfied that Vanquis had provided enough information to Mrs S about what needed to be paid, and that it hadn't made an error when it reported the late payment.

Mrs S didn't agree. She said she hadn't missed a payment and she felt that it was unfair that it had been reported on her credit file in this way.

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've reviewed Mrs S's account and I can see that she had a CPA set up to pay £33 per month. A CPA is a set amount each month which is paid like a standing order from Mrs S's bank account. The amount doesn't change each month depending on the minimum payment due, as a direct debit would.

I've looked at the statement produced on 7 February 2023. This shows that Mrs S's credit limit was £500, and that she'd exceeded this by £22.09. The statement showed that the minimum payment due by 6 March 2023 was £40.87.

Mrs S didn't pay enough to cover the minimum payment due. Therefore, when her statement was produced on 7 March 2023, it was marked as being in arrears.

I appreciate that Mrs S made a payment in February 2023. However, the payment she made (£33) wasn't enough to meet the minimum payment due (£40.87).

I can see that Mrs S spoke to Vanquis on 21 March 2023 and amended her CPA to £50.

However, the late payment had already been incurred by this time, so amending the CPA in March didn't correct that.

Taking all the available information into account, I'm unable to say that Vanquis made an error when it reported the late payment.

The late payment marker was reported because Mrs S failed to make her full minimum payment by the due date. Lenders are under an obligation to report a factual representation of a customer's payment history to the credit reference agencies in order that other potential lenders understand the customer's financial situation and ability to repay credit.

Mrs S has said that she wasn't notified that her CPA payment wouldn't be enough to cover the minimum payment due. However, I can see that Vanquis sent a text message to Mrs S two days before the minimum payment was due advising her that her CPA payment wouldn't be enough to cover the minimum payment. In addition to this, the minimum payment due was clearly shown on Mrs S's monthly statement. Based on what I've seen, I'm satisfied that Vanquis provided sufficient information to Mrs S so that she was aware of the amount she was required to pay.

My final decision

For the reasons I've explained, I'm unable to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 17 January 2024.

Emma Davy
Ombudsman