

The complaint

Mr B has complained Vanquis Bank Limited opened a fraudulent account in his name without carrying out the necessary checks.

What happened

Mr B started receiving letters about a credit card debt from Vanquis, although he didn't hold an account with them. The letters were to his address, but the title used was incorrect along with an additional letter being placed into his name. I'll refer to this person as Miss B.

Mr B complained to Vanquis, but they took longer than he expected to sort things out. As they weren't sure when this would happen, they paid him £25 compensation. They then wrote to Mr B on 16 June 2023 confirming this had been a fraudulent account which they were closing. They also advised they'd register a protective marker in Mr B's name at the industry fraud database, CIFAS.

Mr B received further letters in Miss B's name to his address and complained further to our service and Vanquis. He wanted considerably more compensation.

Our investigator initially felt this complaint could fall outside of our jurisdiction as Mr B had never been a customer of Vanquis. Vanquis, however, was unable to confirm whether they'd placed any late payment markers on Mr B's credit record. Our investigator decided he'd consider the merits based on the fact Vanquis may have treated Mr B as a customer.

Mr B requested the CIFAS protective marker to be removed.

Overall our investigator didn't think Vanquis should do anything further, although asked them to remove the protective marker in line with Mr B's preference.

Mr B remained unhappy and confirmed he'd been turned down for an account due to his credit score which he believed was Vanquis's fault. He's asked an ombudsman to consider his complaint.

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've reached the same outcome as our investigator. I'll explain why.

Firstly it's clear a fraudulent account was opened with Vanquis using the address of Mr B's flat. The application didn't use his email address, phone number or his name. Whilst the name used is similar to his, it's not his name as there's an additional letter placed within it and the account was taken out by someone saying they were a Miss B.

I know Mr B believes there was an impact on his credit record by Vanquis placing late payment markers on it. But I'm not convinced that would be possible as Vanquis didn't have or know Mr B's name so I'm not sure that any markers could have been lodged against

Mr B's name. But I appreciate errors can happen.

Mr B hasn't shared a copy of his credit record with our service so I can't tell whether there was any impact. In the absence of this, I don't believe it would be fair to ask Vanquis to do anything further. I know they paid Mr B £25 but that was because it was taking them longer than it should to clarify the account was fraudulent. I think this was fair.

Mr B has shown that he was rejected for an account because of his credit score but in the absence of any copy of his credit file, I can't say whether that's the case or not.

Mr B is anxious understandably that it was simple for someone to use his address and successfully open a fraudulent account. Vanquis has admitted there must have been an error in the checks they completed when assessing the application but overall they remain the main financial loser in this equation. I won't be asking them to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Mr B's complaint against Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 February 2024.

Sandra Quinn
Ombudsman