

The complaint

Mr R says Vanquis Bank Limited unfairly recorded a default on his credit file in relation to a missed payment to his credit card account.

What happened

Briefly, Mr R missed a payment to his account while he was abroad. Vanquis tried to contact him to bring his account up to date but was unable to reach him. It ultimately recorded a default on Mr R's credit file.

Unhappy with Vanquis' actions and subsequent rejection of his complaint, Mr R contacted this service. Among other things, Mr R argued the default should be removed due to exceptional circumstances. These circumstances included that his phone and credit card had been stolen while he was abroad, which is why he didn't receive any communication from Vanquis regarding the missed payment. Mr R also said he had a continuous payment authority (CPA) in place with Vanquis which ought to have meant no payments were missed, and which he hadn't cancelled.

Our investigator looked into the complaint but didn't recommend that it should be upheld. They found that Vanquis had sent Mr R adequate warning regarding the missed payment and of the risk of default. The investigator couldn't see that Vanquis was to blame for the cancellation of the CPA either.

As Mr R didn't agree with the investigator's findings, the complaint was passed to me to review afresh.

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 don't uphold this complaint. I'll explain why.

Fundamentally, Mr R entered into an agreement to pay Vanquis for the credit it was providing to him. This meant him paying a certain amount on a specific date each month for the term of the agreement. This would have been set out in Mr R's credit agreement.

Unfortunately, Mr R didn't comply with the agreement. I completely understand why Mr R feels the payment in question wasn't missed through any fault on his part. I'm sorry to hear of the issues he faced while abroad. This must have been very difficult for him, notwithstanding subsequently learning of the missed payment and related default.

That said, Mr R's complaint is about Vanquis. And so I must consider whether Vanquis did anything wrong and caused him loss. To that end, I've looked at what Vanquis did in response to the missed payment and thought about whether it did enough to bring this to Mr R's attention. Overall, I'm satisfied Vanquis acted fairly in its attempts to notify him of the arrears. I say that because, for example, it wrote to him several times and via different

methods (email, post, SMS message) to bring the issue to his attention. It's unfortunate that Mr R didn't receive any of these communications but, having sent them using the most up to date contact details it held, I can't see that Vanquis was to know that.

It's true that Mr R had a CPA in place at one stage, and it seems he anticipated this would have served to ensure no payments to the account were missed. However, Vanquis has provided information to demonstrate the CPA was cancelled in October 2022 – prior both to him going abroad and to the payment being missed – due to the expiry of Mr R's registered debit card. I can see it wrote to him at that time to confirm this and to provide details of how he could set up a new CPA if he wanted to. In the event, no new CPA was set up.

I realise Mr R says he didn't receive Vanquis' letter about the CPA. But, as before, I'm satisfied Vanquis sent this using the correct details it held at that time. While it's unfortunate Mr R was apparently unaware of the cancellation of the CPA, I can't fairly say that was Vanquis' fault in the circumstances.

Taking everything into account, I'm not persuaded that Vanquis did anything wrong in trying to contact Mr R about the missed payment or default as it did. It follows that Vanquis was entitled to report the default.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 April 2024.

Nimish Patel
Ombudsman