

## **The complaint**

Mr S complains that Vanquis Bank Limited (“Vanquis”) unfairly registered a default on his credit file.

## **What happened**

Mr S holds a credit card account with Vanquis.

In March 2023 Mr S lost his job. He says he contacted Vanquis by telephone and made an arrangement to pay £100 per month.

On 2 October 2023 Vanquis issued a formal Notice of Default requesting payment of the outstanding arrears of £320.08 by 30 October 2023.

Mr S says he didn’t receive the Notice of Default because he was abroad and didn’t have access to emails.

Because the Notice of Default remained unsatisfied, Vanquis defaulted the account on 31 October 2023.

Mr S complained to Vanquis. He said he’d made the agreed payments each month except for October 2023, when he hadn’t been able to pay because his bank card had been frozen. He said the account had been unfairly defaulted because he’d only missed one payment.

Vanquis didn’t uphold the complaint. Mr S remained unhappy and brought his complaint to this service.

Our investigator didn’t uphold the complaint. She said she’d reviewed the statements of account from April 2023 onwards and these showed that the account had been over the credit limit several times and that there were missed payments and arrears on the account in June and July 2023 as the full minimum monthly payment hadn’t been made on time. The investigator said that Vanquis hadn’t made an error by issuing the Notice of Default because the account had been in arrears for several months, and she was satisfied that the default had been correctly registered.

Mr S didn’t agree. He said his credit file didn’t show any missed payments except for October 2023. He said the reduced payments he’d been making up until then had been agreed with Vanquis.

## **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 the account statements and the system notes provided by Vanquis.

I can see that the account first went into arrears in June 2023. The arrears remained on the account up until the point when the Notice of Default was issued in October 2023.

Although Mr S has said that he entered into an agreement with Vanquis to pay £100 per month, I haven't seen any evidence to support this either from Mr S directly, or from the system notes provided by Vanquis. This service asked Vanquis to comment on what Mr S has said about an agreement. Vanquis provided evidence to show that there had been no telephone contact with Mr S until November 2023, which was after the default had been registered. Vanquis said that no agreement was reached in March 2023. It said that Mr S made the full contractual payment in April 2023. I've checked the account statements, and this is correct.

Based on the information provided by Vanquis and based on what I can see in the account statements, I'm not persuaded that Mr S entered into an agreement to pay less than the minimum monthly payment.

On reviewing the account statements, I can see that Mr S failed to pay the minimum monthly payment due by 29 May 2023. This resulted in arrears of one month. By August 2023 the arrears had not been cleared. The minimum monthly payment of £131.56 due by 28 August 2023 wasn't met. This was the second missed payment. No payment was made by 28 September 2023. It was at this point that Vanquis issued the Notice of Default. The sum required by the Notice of Default wasn't paid, and the default was registered on 31 October 2023. By this time the minimum monthly payment due by 27 October 2023 had also been missed.

Based on what I've seen, I'm unable to say that Vanquis made an error or acted unfairly by issuing the Notice of Default and defaulting the account. There's no evidence of an agreement to pay less than the minimum monthly payment and the arrears had been on the account since May 2023. I appreciate that Mr S didn't receive the Notice of Default because he was abroad, but I'm unable to hold Vanquis responsible for that. I can't see that Mr S notified Vanquis that he was going to be abroad for an extended period of time, or that Mr S made alternative arrangements to have his mail forwarded on to him whilst he was out of the country.

For these reasons I won't be asking Vanquis to remove the default or to do anything further.

Finally, Mr S has raised a query regarding the default and why it is showing twice. This service asked Vanquis to comment on this. It said the account was sold to Lowell in January 2024, at which point Lowell would've registered a default with the same date as Vanquis.

There is only one defaulted debt, but the credit reference agency will be able to explain to Mr S how they display the default following a transfer of legal ownership of the debt if Mr S contacts them directly.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 July 2024.

Emma Davy  
**Ombudsman**