

## **The complaint**

Mr M has complained that Vanquis Bank Limited is holding him liable for a debt which he says was taken out fraudulently in his name.

## **What happened**

In September 2023, a credit card account was opened with Vanquis in Mr M's name. The card was used for rapid cash machine withdrawals until it went over its limit. Vanquis sent Mr M a letter informing him the credit card was over its limit, and in response to this Mr M got in touch and explained he didn't open or use the account.

Vanquis asked Mr M for proof of ID. Mr M wasn't comfortable sending this to them remotely, but offered to bring it to a branch. Vanquis declined this and refused to investigate, choosing to assume that the account was Mr M's. Mr M made a subject access request, but Vanquis refused to comply with this either, on the basis that it was possibly *not* his account.

Our Investigator looked into things independently and upheld the complaint. Vanquis didn't agree, so the complaint's been passed to me to decide.

## **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 need to consider whether Vanquis is entitled to hold Mr M liable for this account. Broadly speaking, the onus is on Vanquis to show that it is.

Vanquis has provided little evidence to substantiate that Mr M took out or used this account. It showed that some of his basic details, like his name and address, were used to apply. But these would have been relatively straightforward for an ID thief to obtain. It provided a credit agreement, but this was signed electronically and there was no technical data to show that Mr M in particular signed it. And the only checks it provided were very basic and did not really provide substantive information about who made the application.

Overall, I am not satisfied that this application was genuine or that Mr M made it, for the following reasons:

- I've not been given any substantive evidence which actually demonstrates that Mr M opened this account, or which otherwise substantively links it to him
- I've not been given any substantiate evidence to show that Mr M used or benefitted from this account
- The phone and email address provided appear to be false
- There is no evidence that Mr M received any contact about the account until he received the letter which prompted him to report it as fraudulent

- The credit card does not appear to be linked to any genuine account of Mr M's
- The way the account was used is consistent with what I'd expect if it was taken out fraudulently by an ID thief
- Mr M has evidenced that his post box is in an accessible communal area where post can be plausibly intercepted or interfered with
- It appears that there have been similar issues in his building previously
- Mr M's testimony has been consistent and plausible, and I've found no good reason to disbelieve him

As far as I can see, it seems both likely and plausible that this account was taken out fraudulently in Mr M's name, and that Mr M reported it once he became aware of it. I have certainly not been given sufficient evidence to satisfy me that this was Mr M's account.

As such, I find that Vanquis cannot hold Mr M liable for this account.

I also find that Vanquis' behaviour was concerningly poor here. It did not need Mr M's ID to be able to deal with our service. And it was not entitled to refuse to investigate a plausible claim of fraud. It is notable that Vanquis refused to investigate and tried to hold Mr M liable for the debt on the basis that the account was his, but simultaneously refused to complete his subject access request on the basis that the account was not his. To put it frankly, Vanquis cannot have its cake and eat it too.

I find that Vanquis' mishandling of the matter caused Mr M some acute stress and inconvenience, which required reasonable effort to sort out. I agree with our Investigator that it should pay him £250 compensation to put that right.

### **Putting things right**

I direct Vanquis Bank Limited to:

- take the account out of Mr M's name and disassociate him from it. If necessary, this will mean buying back the account if it's been sold on, and writing off the balance;
- make sure that Mr M is not pursued for this account again;
- permanently remove any record of this account from Mr M's credit file; and-
- pay Mr M £250 compensation for the trouble and upset it caused.

**My final decision**

For the reasons I've explained, I uphold Mr M's complaint, and direct Vanquis Bank Limited to put things right by doing what I've said above.

If Mr M accepts the final decision, Vanquis Bank Limited must carry out the redress within 28 days of the date our service notifies it of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 November 2024.

Adam Charles  
**Ombudsman**