

The complaint

Mr B complains that Vanquis Bank Limited wrongly defaulted his account, that it has a call centre in South Africa and its call handlers are not properly trained.

What happened

Mr B has an account with Vanquis and payments were made by direct debit. In early 2023 he had some issues with Vanquis which were resolved and compensation paid. However, in August 2023 his direct debit was returned unpaid and a few days later Vanquis says it was notified by Mr B's bank that the direct debit had been cancelled.

Vanquis says it tried calling Mr B several times and also sent text messages without getting a response. It says it sent a pending notice of default letter on 18 September 2023 and a Notice of Default was issued on 11 October 2023 giving Mr B 28 days to pay his accumulated arrears. Payment was not received and the account was defaulted and Vanquis notified the credit reference agencies.

Mr B complained and Vanquis responded saying that it had not done anything wrong and it rejected the complaint. It noted that Mr B had said as his house was being renovated he couldn't receive post, but it could not find any evidence that it had been made aware of this until after the notice had been issued.

Mr B brought a complaint to this service where it was considered by one of our investigators who did not recommend it be upheld. She said it was open to Vanquis to locate its call centres where it wished. On the issue of the performance of the call handlers she had not been given any evidence in support of that allegation. Finally, she could not see how Vanquis could be said to have done anything wrong in its handling of the default.

Mr B did not agree and asked that the matter be considered by an ombudsman.

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.

Where necessary and / or appropriate, I reach my decision on a balance of probabilities – that is, what I consider is most likely to have happened in the light of the available evidence and the wider surrounding circumstances.

Firstly, I should make it clear that the role of the Financial Ombudsman Service is to resolve individual complaints and to award redress where appropriate. I do not perform the role of the industry regulator and I do not have the power to make rules for financial businesses or to punish them.

That means I do not have the power to require Vanquis to site its call centres in the UK or anywhere else. As for the issue of the ability of the call handlers Mr B has not given any detail or evidence in support of his allegation which makes it difficult to uphold this element

of his complaint.

Turning to the substantive issue of the default I find myself in agreement with our investigator. I do not see that Vanquis has done anything wrong. It may have let him down previously, but that does not mean that it did so in its handling of the default.

I have reviewed its records and I can see that between 16 August and 9 October 2023 Vanquis made nine calls to Mr B, but without success. It also sent him nine text messages and there is no record of Mr B responding to any of these. Before issuing the Notice of Default it sent him a warning letter and once the notice was issued he had 28 days to pay his arrears.

I have seen no evidence of Mr B responding to any of these communications and Vanquis found itself in a position where Mr B owed it money and was neither making contact or making payments. The last payment was made in July and the notice was not issued until October. I consider the onus was on Mr B and he had plenty of opportunity to engage with Vanquis before the account was defaulted.

I note Mr B has explained after the default was issued that he was not receiving post due to his house being renovated. I cannot hold Vanquis responsible for that. It sent letters to the address it had been given by Mr B and he did not notify it of an alternative address to use. It also should be noted that it sought to contact him by phone and text so I consider it took reasonable steps to allow him to address the non-payment before issuing the notice.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 August 2024.

Ivor Graham
Ombudsman