

## **The complaint**

Miss R complains that Vanquis Bank Limited defaulted her account.

## **What happened**

Miss R holds a credit card account with Vanquis.

In June 2023 Vanquis sent letters to Miss R about the arrears on her account. It says it had no response from Miss R and no payments were received. As a result, Vanquis issued Miss R with a Notice of Default in July 2023 advising her that she had 28 days to bring the account up to date before the default would be applied.

Miss R told this service that she'd had to leave her previous address and didn't receive the letters from Vanquis. She finally got hold of the letters and contacted Vanquis on 16 August 2023 to try and resolve things. Miss R told this service she attempted to call Vanquis several times on that day but couldn't get through. She says she managed to get through on 17 August 2023 and was given conflicting information. She says that she was told by one agent that she could repay the full amount to avoid default but was later told by another agent that even if she paid the full amount the default would still be applied. Miss R says she offered to make full payment but was advised that she was too late and that a payment plan would be set up.

Vanquis applied a default to the account on 18 August 2023.

Miss R complained to Vanquis. She sent phone records to show that she'd tried to contact them on 16 August 2023.

Vanquis didn't uphold the complaint. In its final response dated 10 October 2023, Vanquis said it had last received a payment from Miss R in May 2023 and as a result it began sending letters from June 2023 to try and reach an agreement. Vanquis said it hadn't received any response to the early letters but that it had a record of Miss R contacting them on 16 August 2023. It said that by that point, only a payment of the arrears in full would have been sufficient to prevent the default from being applied. Vanquis said Miss R had indicated that she wasn't able to do this but that she did agree to set up a payment plan. Vanquis said the default had been correctly applied and it wouldn't remove it.

Miss R remained unhappy and brought her complaint to this service.

Our investigator upheld the complaint. They said they'd asked Vanquis to provide call recordings for the calls from Miss R on 16 and 17 August 2023, as well as account statements and account notes, but these hadn't been provided. The investigator said that based on the information they'd seen, including Miss R's testimony, it appeared that Miss R had offered to repay the arrears by the cut-off date but hadn't been allowed to. The investigator said that Vanquis hadn't provided a satisfactory explanation as to why Miss R hadn't been allowed to repay the arrears on 17 August 2023. The investigator said that Miss R hadn't been treated fairly and said Vanquis should remove the default.

Vanquis responded and said it agreed that Miss R agreed a payment plan on 17 August 2023 and made a payment that day, which would've settled the Notice of Default. It said that having said that, it hadn't received any further payments from Miss R since 17 August 2023, and that because of this, Miss R's account would've defaulted in November 2023, this being three months after the missed payment on the payment arrangement. Vanquis said it could either remove the default and reapply it in November 2023 or leave it as August 2023. It said it didn't agree that the default should be removed completely.

Miss R disputed what Vanquis said. She said that Vanquis had told her that she couldn't set up a payment plan to remove the default. She said she hadn't made any payments as she was unable to access her account and due to the complaint being ongoing.

This service asked Vanquis to comment on what Miss R said. This service also repeated its request for the call recordings dated 16 and 17 August 2023. However, Vanquis didn't respond.

Because Vanquis disagreed with the investigators opinion and then didn't respond to the request for further information, I've been asked to review the complaint and make a final decision.

### **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.

Vanquis hasn't provided all of the information that this service asked it to provide. It hasn't provided the call recordings from 16 and 17 August 2023. So I've had to reach my decision based on the available information.

Miss R has given a clear and consistent testimony that she offered to repay the arrears when she contacted Vanquis. She's told this service that she was told that she couldn't set up a payment plan to do this, and that she was also told that she couldn't make a payment to clear the arrears in full.

Vanquis hasn't provided any explanation as to why Miss R wasn't allowed to make a payment to clear the arrears in full. I've reviewed the Notice of Default and it says that Miss R had until 17 August 2023 to bring the account up to date. On the balance of probability, I'm satisfied that Miss R did try to bring the account up to date when she called Vanquis on 17 August 2023, but Vanquis didn't permit her to do so. I don't think Vanquis treated Miss R fairly here.

When it responded to the investigators opinion, Vanquis said it agreed that Miss R agreed a payment plan on 17 August 2023 and made a payment that day. It said it acknowledged that this had settled the Notice of Default.

In the light of that acknowledgment from Vanquis, it's no longer in dispute that the account shouldn't have been defaulted on 18 August 2023. So, I think it's fair to ask Vanquis to remove the default from Miss R's credit file.

Vanquis has said that Miss R's account would've defaulted in November 2023 because she didn't keep to the payment plan. Miss R says she didn't agree a payment plan. The information about this is limited because of Vanquis's failure to provide the call recordings. I've seen a screenshot of the account which Vanquis has provided which shows that Miss R made a payment of £80 to the account on 17 August 2023. That is at odds with what Miss R has said, because she told this service that she hadn't made a payment.

On balance, I think Miss R did make a payment of £80 on 17 August 2023. That strengthens the case for removing the default. But due to the lack of information provided, I can't be certain that this payment was part of a payment plan. So I'm not persuaded by Vanquis when they assert that Miss R didn't keep up with the payment plan. I haven't seen any letters confirming a payment plan, or letters advising Miss R that she's missed payments under the payment plan. And Miss R has said that she's had no access to her account since August 2023, and that as a result she wasn't able to make payments in any event. This service asked Vanquis to comment on this, but it didn't respond.

In these circumstances, I haven't seen enough evidence to be able to agree with Vanquis when it suggests that it can apply the default in November 2023.

### **Putting things right**

To put things right, Vanquis Bank Limited must remove the default completely from Miss R's credit file.

### **My final decision**

My final decision is that I uphold the complaint. Vanquis Bank Limited must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 22 October 2024.

Emma Davy  
**Ombudsman**