

The complaint

Mr C complains about the actions of Vanquis Bank Limited following unauthorised payments on his credit card.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In October 2023 Mr C cleared the credit card balance on his account but left the account open just in case he may need to use the card again. At the end of March 2024, he received a statement from Vanquis asking him to make the minimum payment of roughly £200 on the account. Mr C raised this with Vanquis. While it investigated the issue Vanquis sent demands for the balance to be paid by Mr C and updated his credit file to show that payments had been missed, and his limit had been exceeded.

So, in summary Mr C made a complaint to Vanquis for the payments to be cleared from his credit card account, for it to stop requesting the outstanding balance from him and to clear the information it had put on his credit file.

Vanquis considered Mr C's complaint and upheld it. It accepted it provided incorrect information and offered £100 for the distress and inconvenience it had caused him. Unhappy with this response Mr C brought his complaint to this service.

Our Investigator felt the complaint should be upheld. She said Vanquis hadn't provided any evidence to show that it was Mr C who spent the money on the card and that Vanquis should pay him a further £100 (£200 in total) for the distress and inconvenience it had caused Mr C.

Mr C disagreed and asked for an Ombudsman's review. He said specifically in relation to the additional £100, that this wasn't a reasonable figure, and that Vanquis should pay him £5,000 for the time and distress this matter has caused him.

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've reached the same conclusion as our investigator. And for largely the same reasons. I know Mr C feels strongly about this complaint and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Both sides now agree that it wasn't Mr C who spent the money on the credit card. So, it's for me to decide whether the total of £200 for the distress and inconvenience this matter has

caused Mr C is reasonable. Or if the £5,000 that Mr C has asked for is a more reasonable amount to reward.

Having done so, I'm satisfied that the £200 is reasonable in this instance. Ultimately the main perpetrator here is the fraudster who managed to spend the money on Mr C's credit card. I appreciate that Vanquis could've handled this matter better and did cause Mr C some distress and inconvenience after he raised the fraud claim. I've seen the evidence of the various letters he received demanding payment (one of which he received after being told in writing that the balance on his credit card would be cleared), his attempts on the phone to resolve the fraud with Vanquis and that his credit file was updated to say he had gone over his credit limit.

However, I don't agree that Vanquis should pay him £5,000 based upon the amount of time his credit file had been updated with the wrong information. The fraud claim took two months to reach a conclusion which I don't think was an unreasonable timeframe and it appears that the automated letters, demanding money after that decision had been made, could've been stopped. But given the letter Mr C had received confirming Vanquis' decision, I don't think the subsequent demand letters caused such a level of distress and inconvenience that he should receive more compensation than the Investigator has suggested. I also don't think it would be reasonable for Vanquis to pay Mr C compensation based upon the total time his credit report held inaccurate data on it. Vanquis made its decision in June 2024 that it wasn't Mr C who made the payments. But that means it's within its right to continue to provide automated information to the credit reference agencies until that decision has been made.

Vanquis has said it made the credit reference agencies aware of the inaccurate information and it cannot control the time it takes to update that information - which I don't think was wholly unreasonable in the circumstances.

I can see that Vanquis has now closed the account at Mr C's request and it says it has updated the credit reference agencies to confirm the account is closed with no outstanding balance. So, despite the mistakes Vanquis made in its communication, and has admitted to, I don't think it would be reasonable to ask Vanquis to provide compensation at the levels Mr C has requested because I've not seen persuasive evidence that Vanquis's response to the fraud claim did cause the levels of distress and inconvenience that would warrant such an award.

As a result, I'm satisfied that the £200 in total is reasonable here.

My final decision

My final decision is that I uphold this complaint. Vanquis Bank Limited should pay Mr C a total of £200 (made up of the £100 it offered in its final response letter and an additional £100) to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 June 2025.

Mark Dobson
Ombudsman