

The complaint

Mr A has complained that Vanquis Bank registered a fraud marker against him.

What happened

Mr A had an account with Vanquis. In 2020, they asked him for proof of identity, which wasn't received, so they closed the account.

Separately, Vanquis registered a fraud marker against Mr A, as they'd investigated and found that he'd acted fraudulently in relation to a different account.

Mr A complained, and Vanquis agreed in error to remove the marker. They later clarified this was an error and the marker would remain. They've offered £200 compensation for their customer service failings.

Our Investigator looked into things independently and found that it was fair for the marker to remain and that Vanquis' offer was fair. Mr A 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.

In order to register this marker, Vanquis were not required to prove beyond all reasonable doubt that Mr A had done something wrong. They did need to have reasonable grounds to believe that he'd attempted fraud or a financial crime, which went beyond a suspicion or concern, and which had appropriate supporting evidence. Having carefully considered everything that both sides have said and provided, I think Vanquis did have sufficient grounds to register this marker.

Vanquis have provided us with evidence which shows that Mr A attempted the fraud for which they added the marker. I do appreciate why Mr A would like to see this evidence. But as it centres around sensitive and confidential information which he is not entitled to see, I'm afraid we cannot reasonably show it to him. I hope I can assure Mr A that I have gone through the evidence in detail and am satisfied that it is rigorous enough to support this marker. Vanquis did not need to tell Mr A that they were adding the marker at the time.

I also find it was fair for Vanquis to close Mr A's account. They had concerns around his identity, they did not receive the required documents at the time, and Mr A has not provided any evidence that he sent the required documents. The account was closed in line with the terms he'd agreed to when he opened it.

Where Vanquis did get things wrong was in how they handled the dispute. They mistakenly said they'd remove the marker, they sent Mr A the wrong complaint letter at first, and they caused delay in having his complaint addressed.

When a business makes a mistake, we often tell them to pay compensation, to acknowledge their error and the impact it had. In terms of the amounts, it's worth keeping in mind that we're an informal dispute resolution service. We're not the regulator, and we're not here to issue fines or to punish businesses. Further, I'm only awarding compensation for how Vanquis' customer service went wrong – as above, I've found the marker itself and the closure of Mr A's account to be fair.

Here, I can see that Vanquis' handling of the matter caused Mr A some acute stress and disappointment. So taking into account the impact Vanquis' errors had on Mr A, along with the guidelines for compensation which I must be consistent with, I find that their offer of £200 compensation is fair to put that right.

My final decision

For the reasons I've explained, I find that Vanquis have made a fair offer to resolve the matter. They should pay Mr A the £200 compensation they've offered, if they've not done so already. I do not make any further award.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 February 2025.

Adam Charles
Ombudsman