

## **The complaint**

Miss D complains about issues she experienced when her account with Vanquis Bank Limited was closed.

## **What happened**

Miss D opened a credit card account with Vanquis in March 2021.

On 30 May 2023 Vanquis wrote to Miss D to advise her that the APR on the account was increasing to 37.44% from 3 August 2023. Miss D wasn't happy about the increase and contacted Vanquis in June 2023 to close the account. Vanquis applied a block to the account to prevent further spending and advised Miss D that the account would be closed once the balance had been paid in full.

In September 2023 Miss D contacted Vanquis and requested a payment plan. Vanquis advised Miss D that it was unable to do this as the account was blocked. Miss D raised a complaint.

In November 2023 Miss D raised a further complaint because during a call she'd made to Vanquis to update her address the call had been disconnected.

Vanquis looked into the complaints and acknowledged that Miss D had been given incorrect advice when she requested a payment plan. It also apologised for the handling of the call in November 2023. Vanquis offered compensation of £50.

In January 2024 Miss D contacted Vanquis because she was experiencing issues accessing the mobile app. Vanquis advised Miss D that this was due to the account being closed. Miss D was unhappy that she hadn't been told that closing the account would restrict her access to the account and raised a complaint.

Vanquis upheld the complaint. It said the information provided to Miss D about why she was experiencing issues with the app was incorrect and offered compensation of £50.

In March 2024 Miss D contacted Vanquis and asked for confirmation that the account had been paid in full. She said she'd arranged a loan from a credit union to pay the balance. Vanquis advised Miss D that it couldn't locate a payment and further advised her that the monthly minimum payment of £139.45 was due on 8 March 2024.

Miss D didn't pay the minimum monthly payment. A late fee was applied on the account and the late payment was reported to the credit reference agencies.

Miss D subsequently received a text from Vanquis about the late payment. She contacted them and said she'd already paid in full via the credit union and raised a complaint about the late payment marker on her credit file.

Vanquis issued a final response on 12 June 2024. It upheld the service aspects of Miss D's complaint and offered compensation of £75. Vanquis said it hadn't made an error when it reported the late payment in March 2024 because the minimum monthly payment hadn't

been made and the payment from the credit union wasn't received until 2 April 2024.

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

Our investigator said she didn't think Vanquis had acted unfairly by reporting the late payment in March 2024, because the minimum payment due on 8 March 2024 hadn't been paid on time. The investigator said that although the credit union had made a payment, this hadn't been received by Vanquis by the payment due date. The investigator said she wouldn't be asking Vanquis to remove the late payment marker. In relation to the customer service issues, the investigator said she thought the compensation already paid by Vanquis was fair and reasonable.

Miss D didn't agree. She said she wanted the late payment marker removed from her credit file. She said it wasn't her fault that the payment from the credit union had been received late.

Because Miss D didn't agree I've been asked to review the complaint.

### **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.

#### Late Payment

I've reviewed the statements of account. I can see that a minimum payment of £139.45 was due on 8 March 2024. I can't see that any payment was made by the due date.

I can also see that Miss D contacted Vanquis shortly after the payment due date and asked whether the account had been paid in full. Miss D was under the impression that the credit union had made a payment on her behalf on 8 March 2024. Vanquis advised Miss D that no payment had been received.

Based on what I've seen, I'm not persuaded that a payment was made by the due date of 8 March 2024. In the circumstances, I don't think Vanquis made an error or treated Miss D unfairly by reporting the late payment to the credit reference agencies. Vanquis – like all lenders – has an obligation to report accurate information to the credit reference agencies and in this case, I'm satisfied that Vanquis has correctly reported the state of the account.

I appreciate that Miss D has said that the payment from the credit union was made on time but was returned by Vanquis. I've looked into this. Vanquis has said that there are two possible reasons why a payment would be returned, which are either that the payment had no reference (or an incorrect reference) on it, or that the payment made by the third party was too much and could have been flagged as fraud. That said, Vanquis has also confirmed that they have no record of a payment reaching them in March 2024.

Taking all the available information into account, I haven't seen anything to persuade me that Vanquis made an error when it reported the late payment. So, I won't be asking it to remove the marker from Miss D's credit file.

#### Customer Service Issues

Vanquis has acknowledged that there were several customer service issues following the closure of the account in June 2023. It has upheld these and has already paid compensation totalling £225.

I've reviewed the customer service issues experienced by Miss D and I've thought about the impact that these had on her and whether the compensation paid already goes fair enough. Having done so, I'm satisfied that the compensation already paid is fair and reasonable to resolve this aspect of the complaint. I won't be asking Vanquis to pay any further compensation.

### **My final decision**

My final decision is that I don't uphold the complaint.

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

Emma Davy  
**Ombudsman**