

The complaint

Mrs H says Vanquis Bank Limited (Vanquis) were unreasonable to default her account.

What happened

Mrs H had a credit card account with Vanquis. She fell into arrears in 2022 and Vanquis defaulted the account in August of that year.

Mrs H thought they were unreasonable to do so. She said they'd not told her about the arrears and hadn't provided sufficient support. She explained that she had been experiencing particularly difficult personal circumstances.

Vanquis didn't uphold Mrs H's complaint. They said they'd tried to contact Mrs H on the phone and had corresponded with her to explain the arrears on the account. As payments weren't made, they explained that they defaulted the account in August 2022 and subsequently sold the debt to a debt collection company.

Mrs H referred her complaint to this service, but our investigator didn't think there was cause to uphold it. As Mrs H disagreed, her complaint has been referred to me, an ombudsman, to 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.

I was very sorry to hear about the difficulties Mrs H has experienced and I know it will disappoint her, but I'm not upholding this complaint. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on 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 in order to reach what I think is the right outcome.

The Information Commissioner's Office (ICO) says when a consumer is at least three months behind with their payments then a default may be registered. And it would expect a default to be registered by the time the consumer is six months behind with their payments.

I've reviewed Vanquis's system notes and can see that arrears reminders were sent and texts were sent to remind Mrs H of the arrears on her account. They were sent to the correct email and contact numbers and I can see that many calls were made but were unanswered. I'm persuaded that Vanquis did make sufficient attempts to make Mrs H aware of the status of her account and I remind myself that it is Mrs H's responsibility to manage it.

Vanquis shouldn't have defaulted Mrs H's account in August 2022 as they've now accepted that they did receive the payment Mrs H was required to pay under the Notice of Default issued in July 2022. But no further payments were received towards the account until it was sold in December 2022 and, as such, the account would have defaulted anyway, albeit at a later date. The default will remain on Mrs H's credit file for six years so it seems to me that it would be more beneficial for her to have it registered in August 2022 rather than at a later date. I'm not asking Vanquis to move it.

Vanquis were unaware of the difficult personal circumstances Mrs H was facing at the time so it wouldn't be fair to suggest they should retrospectively take account of them. They have an obligation to report Mrs H's performance on her account accurately to the credit reference agencies and I think that's what they did. I'm not asking Vanquis to take any further action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 30 January 2025.

Phillip McMahon
Ombudsman