

## **The complaint**

Mr C complains about the way in which Vanquis Bank Limited treated him when he contacted them about the arrears on his account. He's also unhappy that Vanquis registered a default on his credit file.

## **What happened**

Mr C holds a credit card account with Vanquis.

In April 2024 Mr C contacted Vanquis to discuss the arrears on his account. He explained to the advisor that he was experiencing financial difficulties. The advisor laughed and Mr C asked to speak to a manager, but the call was cut off.

Mr C raised a complaint about the advisors behaviour. He spoke to a complaints handler at Vanquis and said the advisor had made him feel embarrassed and that he no longer felt able to speak to them about his situation. The complaints handler assured Mr C that he would sort things out and not to worry.

Mr C later received a final response to his complaint in which Vanquis acknowledged that the advisor had laughed and that the call had been dropped. Vanquis offered £75 compensation.

Mr C subsequently discovered that his account had been defaulted and a default registered on his credit file. He complained to this service. He said that if the Vanquis advisor hadn't laughed at him when he called in April 2024, he would've paid his account and brought it back up to date. Mr C said he'd never received a default notice and if he had done, he would've been able to agree a payment plan. He said he'd been told by the complaints handler that he didn't need to worry about the account and that it would be resolved but the account was then defaulted. Mr C said he wanted the default removed. Mr C also said he felt he'd been discriminated against because of what he told Vanquis about his mental health.

Our investigator didn't uphold the complaint. He said he'd reviewed the history of the account and although it wasn't in dispute that the level of service Vanquis provided during the call in April 2024 fell short of expectations, this wasn't the reason why the default was applied to the account. The investigator said that Vanquis had engaged with Mr C and offered forbearance measures both before and after the call, but Mr C hadn't provided the income and expenditure information requested by Vanquis. The investigator said that it hadn't been unreasonable of Vanquis to default the account in the circumstances.

Mr C didn't agree. He said he felt that Vanquis had disregarded his attempts to seek help with his arrears and failed to treat him fairly as a vulnerable customer. Mr C said he'd had to calls with Vanquis in June 2024, but the default wasn't mentioned. Mr C said that if he'd been made aware that the account could default, he would've taken steps to settle the debt. Mr C said he'd never received any default notices and he didn't think the correct procedures had been followed.

Because Mr C 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.

I know it will disappoint Mr C, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a 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.

I've reviewed the history of the account. Mr C told this service that he started to fall behind with his account in February 2024 due to issues with his mental health. I can see that the account was in arrears as of February 2024, but looking at the account history, and the text messages between Mr C and Vanquis, I can see that Vanquis had been offering forbearance measures to Mr C since July 2020. As part of that process, Vanquis had asked Mr C to provide information about his income and expenditure so that it could look at supporting him with measure such as (for instance) freezing interest and charges and a payment plan.

Mr C has said that it was because of the way he was treated during the call in April 2024 that he felt unable to discuss his account further with Vanquis, which led to the account being defaulted.

There's no dispute that the service on the call in April 2024 fell below what Mr C could reasonably expect. I don't doubt that Mr C's experience on the call made it difficult for him to speak to Vanquis about his circumstances again. That said, I can see that Vanquis sent messages to Mr C in May 2024 in which it said it might be able to offer a payment plan. I can also see that an income and expenditure form was issued to Mr C at around this time. So, although Mr C has said that he felt hesitant about speaking to Vanquis about his situation after the call in April 2024, I don't think the call prevented Mr C from responding to Vanquis about a payment plan in May 2024 with his financial information. Further, Mr C has provided screenshots of two calls that he made to Vanquis which post dated the call of April 2024, which shows that he was able to speak to Vanquis.

In terms of the call dated April 2024 itself, Vanquis has acknowledged that it provided poor service and has offered compensation of £75. I think this is a fair and reasonable amount to reflect the distress caused to Mr C, and in line with what this service would award. So, I won't be asking Vanquis to pay further compensation.

I've gone on to consider whether Vanquis made an errors or treated Mr C unfairly when it defaulted the account.

The relevant guidelines from the Information Commissioners Office say that a lender can default an agreement where it is at least three months in arrears. In Mr C's case, there were more than three months arrears, so I'm unable to say that Vanquis acted contrary to the practice guidelines. All lenders are under an obligation to treat customers fairly. Part of that obligation includes forbearance where customers are experiencing financial difficulties and I've already mentioned above that Vanquis had offered several forbearance measures to Mr C. Another part of that obligation is to make sure that a customer's arrears don't increase to levels which are unsustainable because this is likely to make it impossible for a customer to repay the debt. With that in mind and looking at the level of arrears on Mr C's account and the previous offers of forbearance measures, I don't think Vanquis acted unreasonably when it defaulted the account.

Mr C has said that he never received a default notice. I've reviewed the notices that Vanquis issued to Mr C, and they are correctly addressed to Mr C at the address held on file. I can't be certain of why Mr C didn't receive these, but I can't fairly hold Vanquis responsible for non-delivery due to issues with the postal service. There isn't enough evidence to persuade me that Vanquis didn't follow the correct procedure for issuing a default notice because based on what I've seen, the default notices were correctly issued.

Mr C has also said that he believes that Vanquis discriminated against him because of what he told them about his mental health. This service isn't able to make findings about whether an act or omission by a business constitutes discrimination under the Equality Act 2010. Only a court can do this. So, I won't be commenting further on this aspect of the complaint.

Taking everything into consideration, I haven't seen any evidence to persuade me that Vanquis made an error, or that it treated Mr C unfairly when it defaulted the account. So, I don't have any grounds to ask Vanquis to remove the default or amend Mr C's credit file.

### **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 Mr C to accept or reject my decision before 24 February 2025.

Emma Davy  
**Ombudsman**