

## The complaint

Mrs L complains that Vanquis Bank Limited defaulted her credit card account.

## What happened

I issued a provisional decision about this complaint, which set out what happened:

*"In 2023, Mrs L became unwell and stopped working, so she contacted Vanquis about her credit card repayments. Vanquis said it told Mrs L that her account wouldn't default, as she'd set an agreement up.*

*On 13 June 2023, Vanquis wrote to Mrs L to say it was unable to agree a repayments plan as what she could afford wouldn't repay the outstanding balance within a reasonable timeframe. Vanquis said it may send her a notice of default and, if this was not paid, a default would be registered on her credit file. Vanquis added it Mrs L made an arrangement to pay £1 per month and was advised her account would default if her contractual monthly repayments were not made.*

*Mrs L had an agreement to repay £1 per month towards her outstanding balance, so the contractual minimum repayments for June, July and August 2023 were not paid. Mrs L later complained to Vanquis, and it issued its final response on 17 August 2023. Vanquis said it had told Mrs L incorrectly that her account would not be defaulted and offered her £50 compensation. Vanquis also told Mrs L if arrears continued to accrue on her account, a notice of default may be sent to her.*

*On 18 August 2023, Vanquis sent Mrs L a default notice, which said she needed to repay the arrears of £305.45 or her account would be defaulted. No payment was made towards the account in September 2023, and Vanquis defaulted Mrs L's account on 18 September 2023.*

*Mrs L complained to Vanquis again, saying she had been told to ignore Vanquis' letters and continue to pay £1 per month towards her outstanding balance. Vanquis issued another final response on 4 December 2023. Vanquis said it had found no evidence Mrs L was told to ignore any other letters relating to a default being applied to her account. Vanquis said Mrs L was told the default process would continue on her account if contractual payments were not made during her call of 17 August 2023. And on 18 August 2023, Mrs L was sent a default notice which gave her 28 days to pay the arrears on her account.*

*Unhappy with this response, Mrs L complained to our service. Mrs L says that since Vanquis issued its final response, it sold her account to a debt collection agency without telling her. Mrs L provided copies of her February 2024 credit card statement, which said she should make her usual monthly payment and a copy of email from Vanquis, that confirmed her monthly statements still showed her contractual monthly payments.*

*One of our Investigators reviewed Mrs L's complaint and didn't recommend Vanquis take*

*any further action. Our Investigator said Mrs L could not afford her monthly repayments, so Vanquis was entitled to record the account as in default. In response, Mrs L said other creditors treated her differently. Mrs L said she was told by Vanquis to repay £1 after explaining her financial circumstances.*

*Our Investigator reconsidered Mrs L's complaint. Our Investigator remained of the view that the default had been applied correctly. Our Investigator said there was no evidence Mrs L was able to bring the account up to date to avoid a default. Our Investigator accepted Mrs L's claims that Vanquis had provided poor service because Vanquis hadn't provided any evidence to refute these claims. The Investigator recommended Vanquis pay Mrs L £200 compensation. Vanquis accepted our Investigator's recommendation, but Mrs L did not because she still wanted the default to be removed from her account. So, this has come to me for a decision."*

My first provisional decision was as follows:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Vanquis has not provided a copy of its final response of 17 August 2023, so it has not shown that valid referral rights were provided. So, there is no reason for me consider whether events covered in that final response, which were referred to our service on 22 February 2024, was referred to our service in time. I may reconsider this issue if Vanquis provides a valid copy of its final response of 17 August 2023 and does not consent to our service considering events prior to that date.*

*Vanquis has accepted that in June 2023, it told Mrs L (incorrectly) that her account would not be defaulted. Mrs L says she had an agreement to repay £1 per month and Vanquis said her account would not be defaulted. Having considered the evidence, I'm satisfied that Vanquis corrected any previous incorrect assurance it gave Mrs L that her account would not be defaulted in its letter of 17 August 2023.*

*The Information Commissioner's Office sets out guidance that a creditor should default an account once three to six months of arrears have accrued. Here, it appears three months of contractual monthly repayments had been missed. So, even if Vanquis had told Mrs L she could repay £1 per month, she had still missed three contractual repayments and Vanquis was entitled to record the account as in default.*

*Mrs L says she was told to ignore letters she was sent. But even if I were to accept Mrs L was told she could ignore letters, and her account would not default, this does not mean I would ask Vanquis to remove a default. If Mrs L had been told, incorrectly, that her account would not be defaulted, I would need to consider the position she should have been in where she had been correctly told her account would be defaulted. I do think the letter of 17 August 2023 was clear Mrs L's account will be defaulted if contractual payments were not maintained, and Mrs L was notified of the impending default on 18 August 2023. So, overall I am not persuaded that there is any reason to require Vanquis to amend or remove the default.*

*Mrs L has complained about Vanquis' treatment of her and it has accepted our Investigator's recommendation of £200 for any distress or inconvenience caused to Mrs L. I recommend Vanquis pay Mrs L £200 compensation for any trouble and upset caused by its actions. In making this award, I have only considered Vanquis' actions until the date of its final response on 4 December 2023.*

*Mrs L says Vanquis sold her account to a debt collection agency without informing her. I*

*cannot comment on events that occurred after Vanquis issued its final response on 4 December 2023, as I have not been provided with evidence that Mrs L referred a complaint about events that occurred after 4 December 2023 to Vanquis prior to Mrs L referring this complaint to our service. The emails Mrs L has provided refer to Vanquis looking into matters that occurred before 4 December 2023, which is why I think Vanquis referred Mrs L to our service. Should Mrs L wish to do so, she can make a complaint with Vanquis directly about its actions from 5 December 2023 onwards.”*

In response to my provisional decision, Mrs L said she was concerned I had not reviewed the full facts of her case and explained why she did not accept my provisional decision. In summary, Mrs L said she was told to ignore all letters and defaults. Mrs L said she received poor customer service from Vanquis, was laughed at and insulted.

Since my provisional decision, Vanquis said it did not consent to our service considering events that occurred prior to 17 August 2023 as these had been referred to us too late. I asked Vanquis for call recordings between 17 August and 5 December 2023 on numerous occasions but unfortunately, Vanquis chose not to respond. So, I issued a second provisional decision on 29 April 2025 with the following findings:

*“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.*

*I’d first like to apologise to Mrs L for the time that’s passed since my first provisional decision – it is very disappointing Vanquis chose not to respond to my repeated requests for information.*

*First, I have had to consider whether Mrs L referred her complaint about events prior to 17 August 2023 in time.*

#### *Events before 17 August 2023*

*The relevant rules which outline the complaints our service can consider are set by the regulator, the Financial Conduct Authority, and can be found in DISP 2.8.2R. This rule says the Ombudsman cannot consider a complaint if the complainant refers it to the Financial Ombudsman Service more than six months after the respondent sent the complainant its final response.*

*Here, Vanquis sent Mrs L a copy of its final response on 17 August 2023 and Mrs L did not contact our service until 22 February 2024 – more than six months after the final response. Vanquis hasn’t consented to our service considering events before this date. Mrs L hasn’t said that exceptional circumstances prevented her from referring her complaint to our service sooner than she did. So, I’m not able to consider events that occurred prior to 17 August 2023.*

#### *18 August – 4 December 2023*

*Mrs L says she was told her account would not default and to ignore any letters sent to her.*

*As I said above, I cannot consider Vanquis's actions prior to 17 August 2023. But even if Vanquis had incorrectly told Mrs L her account would not default prior to this, it remains that on 18 August 2023, Vanquis sent Mrs L a default notice, which said she needed to repay the arrears of £305.45 or her account would be defaulted.*

*Mrs L says she was told to ignore letters she was sent but I don't think the evidence available supports her testimony. Here, I think the letters were very clear that Vanquis would default the account and I can't see any reassurances that these letters should have been ignored. And as I said in my first provisional decision, the Information Commissioner's Office sets out guidance that a creditor should default an account once three to six months of arrears have accrued. Here, it appears three months of contractual monthly repayments had been missed. So, even if Vanquis had told Mrs L she could repay £1 per month, she had still missed three contractual repayments and Vanquis was entitled to record the account as in default.*

*In any event, even if I were to accept Mrs L was told she could ignore letters, and her account would not default, this does not mean I would ask Vanquis to remove a default. If Mrs L had been told, incorrectly, that her account would not be defaulted, I would need to consider the position she should have been in where she had been correctly told her account would be defaulted. I do think Mrs L was notified of the impending default on 18 August 2023. So, overall, I am not persuaded that there is any reason to require Vanquis to amend or remove the default.*

*In response to my provisional decision, Mrs L provided additional evidence of Vanquis's poor treatment of her. Vanquis has not provided call recordings to show it was not rude or insulting to Mrs L. Based on Mrs L's testimony, including her mental health difficulties, I'm recommending Vanquis increase the compensation paid to her for its poor customer service (until 4 December 2023) to £350.*

#### Events from 5 December 2023 onwards

*Mrs L says Vanquis sold her account to a debt collection agency without informing her. I cannot comment on events that occurred after Vanquis issued its final response on 4 December 2023, as I have not been provided with evidence that Mrs L referred a complaint about events that occurred after 4 December 2023 to Vanquis prior to Mrs L referring this complaint to our service. The emails Mrs L has provided refer to Vanquis looking into matters that occurred before 4 December 2023, which is why I think Vanquis referred Mrs L to our service. Should Mrs L wish to do so, she can make a complaint with Vanquis directly about its actions from 5 December 2023 onwards."*

Vanquis accepted my provisional decision, and Mrs L did not respond.

#### **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.

As no new evidence or arguments have been put forward by either party since my provisional decision of 29 April 2025, I see no reason to depart from the provisional findings in that decision. So, I remain of the view that there is no reason to require Vanquis to amend or remove the default Mrs L complained about, I remain of the view that Vanquis should pay Mrs L £350 compensation for its poor customer service (until 4 December 2023) to £350.

**Putting things right**

Vanquis should pay Mrs L £350 compensation.

**My final decision**

For the reasons explained above, I uphold this complaint and require Vanquis Bank Limited to pay Mrs L £350 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 24 June 2025.

Victoria Blackwood  
**Ombudsman**