

## **The complaint**

Mr A complains that Vanquis Bank Limited ('Vanquis') tried to collect a payment earlier than agreed, and this led to his personal loan account being defaulted.

Mr A says he can repay his loan in full and wants the default removed from his credit file.

## **What happened**

Mr A made several payment arrangements with Vanquis following receipt of a default notice in November 2023. Vanquis were aware that Mr A was experiencing some very difficult and distressing circumstances relating to his family's wellbeing.

On 20 May 2024 Mr A called Vanquis because he was struggling to afford his next instalment. Mr A's recollection of the call was that he'd said a reduced payment might be possible on 24 May 2024, but would be possible in June 2024.

Vanquis attempted to collect Mr A's offered payment on 24 May 2024, but it wasn't successful. When the payment failed again on the following day, Vanquis defaulted Mr A's account.

Mr A complained this wasn't fair but Vanquis rejected his complaint, saying that they'd acted in line with their responsibilities.

Mr A referred his complaint to the Financial Ombudsman Service. Our investigator concluded that Vanquis hadn't acted unfairly in these circumstances. Mr A was very unhappy and asked for an ombudsman to independently review his 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've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I think it's important to say that my review of this matter is completely independent from our investigator's. That is to say that although I can see what the investigator's findings are, I have access to the full case file and have the ability to request further information and evidence from either party should I need it, in order to reach my own impartial decision. I am not incentivised to agree with our investigator, or to find for one party over another.

I know this will disappoint Mr A, but having conducted my own review I've decided not to uphold his complaint. I've reached this decision because while I recognise this was a very unfair situation for Mr A to be in – and one entirely outside of his control - I haven't found Vanquis treated him unfairly in these circumstances. I'll explain why.

I am truly sorry to hear of the troubles Mr A's family are facing and I recognise that handling finances at this time must be incredibly difficult and stressful for Mr A. I can see that Vanquis were aware of Mr A's situation before this complaint arose. I've kept this in mind when considering if Vanquis met their obligations when interacting with Mr A in these circumstances.

It's clear to me that Mr A wasn't neglecting his responsibilities under the agreement. I think he's demonstrated this by keeping in contact with Vanquis and paying what he can. Mr A's confirmed he was aware of the risk his account would default and I think he's made significant efforts to avoid this.

Equally I think Vanquis have shown forbearance and understanding to Mr A by agreeing reduced payments over several arrangements.

The crux of Mr A's complaint is that Vanquis attempted to take a payment prematurely following what was discussed, so Vanquis caused his account to default when it otherwise wouldn't have defaulted.

I've listened carefully to the call between the parties on 20 May 2024.

In the call Mr A said:

*"...I've had a £500 bill to repair the car, I literally have £30 available that I can pay you today."*

*"I might be able to pay a further £100 by the 1st of June but I won't be able to make another payment until the – a more substantial payment – until the 10<sup>th</sup> of June"*

*"I might be able to pay £100 by this Friday and then I won't be able to make another payment until the 10<sup>th</sup> of June."*

Vanquis' agent said: "You may make a payment for... Friday, is that correct?" to which Mr A replied: "hopefully, yes."

Vanquis' agent then asked "(muffled) be able to?" to which Mr A said "yes."

Vanquis' agent then said:

*"Okay what I'll do is I'll have a PDP agreed for Friday, that's a post-dated payment, and this will stop any further calls coming through from Vanquis....24<sup>th</sup>...I've set up that post-dated payment for yourself for the 24<sup>th</sup> of May."*

Vanquis' agent then asked Mr A to complete an income and expenditure assessment for an arrangement for future months to come, but Mr A declined to complete this at the time as he was on his way to a hospital. Vanquis' agent therefore said Mr A could call Vanquis back about making a further arrangement.

Having listened to this call between the parties I am not in agreement with Mr A's recollection of what was agreed. I think it was clear a payment was set up for Friday 24 May 2024, with no future payment dates arranged.

I can't make out Vanquis' muffled question about Mr A's ability to pay on 24 May 2024, whether this was "will be able to", or "might be able to", and I think it's fair that I ignore this part of the call. So on balance I agree Mr A's ability to pay on 24 May 2024 wasn't certain, as Mr A said he "might" or would "hopefully" be able to pay on this date.

However it's clear Mr A was informed that a payment was set up for Friday 24 May 2024. Mr A didn't say he didn't want this to happen. Mr A didn't clarify that a payment should be set up for June 2024 instead, or in addition to this. And Mr A didn't make a further arrangement to pay going forwards, even though he was aware he'd failed to pay what was due on the 20 May 2024.

In these circumstances I don't think it was unfair for Vanquis to try and take a payment on 24 May 2024, given this was the date Vanquis said they'd do this.

I'm aware Mr A feels the default was avoidable and that he'd have been able to maintain the account going forwards if Vanquis had just held off a bit longer. I don't doubt Mr A was hoping his situation would change for the better and this would have a positive impact on his finances. However looking at the way in which Mr A's account was paid up to May 2024, and his circumstances at the time, I think it would have been difficult for him to avoid a default in the near future.

The Information Commissioner's Office gives guidance to firms that it's generally expected that firms will report a default to the CRAs when an account reaches six months in arrears – although this wouldn't be expected where there is an active arrangement in place.

I think Vanquis acted in accordance with the ICO's guidance by reporting a default when Mr A's arrangement failed and there was no new arrangement in place. I wouldn't expect Vanquis to delay reporting Mr A's default, as this may adversely impact his credit file longer than necessary.

I am sorry to add to Mr A's troubles as I know he was hoping for an amendment to his credit file here. However my investigation leads me to conclude that Vanquis acted fairly towards him in these circumstances.

If Mr A still wishes to clear his debt to Vanquis he is at liberty to do so and his credit file will be updated to reflect the debt's been paid. However, this won't result in the default being removed from his credit file and this will remain for six years from the date of entry.

It may help Mr A to know he can ask the main CRAs to place a notice of correction on his credit file. This is a short statement that provides context to an entry, such as Vanquis' default here. Potential lenders looking at Mr A's credit file in future would be able to see the information in the notice of correction when considering their lending decisions.

### **My final decision**

For the reasons I've set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 May 2025.

Clare Burgess-Cade  
**Ombudsman**