

The complaint

Mr X complains that Vanquis Bank Limited didn't agree to place his credit card account on hold, and that it failed to respond to correspondence.

What happened

Mr X holds a credit card account with Vanquis. In July 2023, he wrote to Vanquis to inform it that he'd been remanded in custody with no expected release date. He asked that his account be frozen and that no interest or charges be applied until further notice. He said he intended to make a payment on the account as soon as practical. The same month, a professional representative also wrote to Vanquis on Mr X's behalf.

Vanquis applied a block to Mr X's account so it could no longer be used, and issued a notice of default to his home address on 14 September 2023. It required him to pay the arrears of £59.16 by 12 October 2023. Because no payment was received, the account defaulted on 13 October 2023.

Mr X wrote to Vanquis several times between August 2023 and January 2024, reiterating his request to remove interest from the account and saying he intended to make a payment soon. He also asked that any adverse information about the account be removed from his credit file. Because he didn't receive a response to his request, Mr X made a complaint in March 2024.

Vanquis didn't agree it had done anything wrong. It said it couldn't freeze interest or charges on the account unless it agreed a payment plan. It invited Mr X to get in touch to discuss his circumstances so it could consider this option.

Mr X referred his complaint to this service. One of our Investigators considered the complaint and upheld it. They said Vanquis had failed to respond to most of Mr X's correspondence. They recommended Vanquis pay Mr X £50 to put things right. They didn't think Vanquis needed to freeze interest or charges or remove any adverse information from Mr X's credit file.

Vanquis accepted the Investigator's recommendations, but Mr X didn't. He didn't think the Investigator's recommendations put right the fact that Vanquis had failed to respond to him. He was also concerned that Vanquis had been sending correspondence to his home address – which he no longer has access to. Because the complaint couldn't be resolved informally, it's been passed to me to decide.

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 can appreciate why Mr X is unhappy with Vanquis' handling of the situation, and I understand it isn't easy for him to correspond with Vanquis or to manage his affairs. I've considered whether Vanquis took appropriate steps to ensure it treated Mr X fairly after it

was made aware of his circumstances.

Mr X asked that Vanquis place his account on hold and remove any adverse information from his credit file. When a customer informs a lender that they'll have difficulty making repayments due to a change in circumstances, I'd expect it to take that information into account, and take steps to ensure it treats the customer fairly. There are several different approaches lenders can take to this, and there's no set action that Vanquis was required to take.

In this case, Vanquis applied a block to Mr X's account when it became aware of his circumstances. This is in line with its process in situations such as these. It also said it can look to set up a payment plan which would freeze interest and charges on the account – but it would need to fully understand Mr X's circumstances before it can do so. It's said Mr X can appoint a third party to help him with this.

I think this is a reasonable step to take, as setting up a payment plan based on Mr X's circumstances would ensure interest and charges are no longer applied. I don't find it unreasonable that Vanquis would want to fully understand Mr X's current circumstances before agreeing to this. It needs to know whether he has any sources of income or other outgoings to determine what amount, if any, he can afford to pay. So, Mr X needs to either correspond with Vanquis directly or appoint a third party to do so on his behalf if he'd like to pursue this option.

But I think Vanquis could have communicated this option to Mr X sooner than it did. It's been aware of his broader circumstances since – at the latest – July 2023, but only suggested a payment plan in June 2024 when it responded to the complaint. If Vanquis does agree a payment plan after speaking to Mr X, it may be appropriate to consider backdating any agreed freeze on interest and charges.

Mr X wrote to Vanquis several times between July 2023 and March 2024. Vanquis continued to issue statements and statutory notices, and it wrote to Mr X to ask for his expected release date. But it didn't respond to his other enquiries about the account until June 2024. It also didn't communicate with Mr X's professional representative. Overall, I think Vanquis could have done more to communicate effectively with Mr X about his account.

Vanquis has continued to send statutory notices and statements about the account to Mr X's registered address. Mr X says he no longer lives at that address – and says it's a breach of data protection law for Vanquis to send post there. As an informal service, it's not our role to decide whether Vanquis has broken data protection law – but I've considered whether it made an error or otherwise treated Mr X unfairly.

I can't see that Mr X informed Vanquis that he no longer has access to his registered address, or that he made a formal request to change his address. I don't think Vanquis made an error by sending post to Mr X's home address – as that was the address Mr X had most recently registered to the account. If Mr X wishes to update his registered address with Vanquis, he'll need to let it know and provide new details – or authorise a third party to do so on his behalf.

Mr X has also asked Vanquis to remove adverse information about the account from his credit file, including any default sums. Lenders are required to report true and accurate information to credit reference agencies about how customers manage their accounts. I'm satisfied Vanquis did so in this case by registering a default – as Mr X hadn't made the required payments on the account for several months, and it was clear he wouldn't be able to do so in the near future. I haven't seen anything to suggest Vanquis acted unfairly in reporting adverse information to credit reference agencies, or that it made an error in doing

so.

Summary

For the reasons outlined above, I don't find that Vanquis made an error by reporting adverse information about the account or by sending correspondence to Mr X's registered address. Nor do I think it acted unfairly by not agreeing to place interest and charges on hold based on the information currently available to it.

But I do think Vanquis ought to have done more to communicate effectively with Mr X after it was made aware of his circumstances. Not doing so caused avoidable frustration and inconvenience. But, since Mr X was unable to make payments on the account, I don't think it's likely he would have been in a significantly different position had Vanquis responded to him sooner. Taking all of the circumstances into account, I think Vanquis should pay Mr X £50 to put things right.

My final decision

My final decision is that I uphold this complaint. I require Vanquis Bank Limited to pay Mr X £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr X to accept or reject my decision before 22 April 2025.

Stephen Billings
Ombudsman