

## **The complaint**

Miss J complains Vanquis Bank Limited pursued her for a debt she hadn't taken out and that she's unhappy with its communication with her.

## **What happened**

The facts are well known to both parties, so I'll summarise them briefly.

In April 2024, Miss J received a credit card statement from Vanquis and another lender. She called Vanquis and explained this was not her account.

Miss J is unhappy that after she reported the issue on the 26th April 2024, Vanquis took too long to investigate it and put the matter right. It continued to send her requests for payment on the 20th and 27th May 2024 which caused her further concern that the account appeared to still be active. Vanquis then confirmed in mid-June 2024 that it accepted the debt was fraudulent and she wouldn't be held liable for it.

When Miss J complained to Vanquis, she also raised further concerns including about it adding late fees, issues with its communication with her, and the time it had taken to resolve the matter. She also arranged for a protective marker to be added to a well-known fraud prevention organisation.

Vanquis offered Miss J £50 compensation which she didn't think was sufficient.

When Miss J referred the matter to our service the investigator upheld the complaint. They recommended Vanquis pay Miss J £100 compensation. Miss J said she thought £150 was a more appropriate amount to compensate her, especially as she had to pay £30 for a protective marker. Vanquis didn't respond to the investigator's findings.

As an agreement couldn't be reached, the matter was passed to me for a decision by an ombudsman. I asked for some further information and Vanquis confirmed that it had applied the appropriate blocks on the account once it established the account was fraudulent. It also confirmed that it had updated Miss J's credit file to ensure no adverse information remained. I let Vanquis know that on the information available I intended to award £150 compensation, but it didn't comment on this point specifically.

## **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.

Having done so, I'm upholding this complaint.

It isn't in dispute that Miss J has been the victim of ID theft, and that Vanquis isn't holding Miss J liable for the debt that a third party appears to have taken out. As Vanquis has confirmed that there's been no adverse impact on Miss J's credit file and the account itself

has been blocked, I consider that it has put matters right in relation to the fraudulent account. I haven't seen anything to suggest Vanquis made an error or ought to have known it wasn't a genuine application at the time.

The outstanding issue is the amount of compensation that it's fair to award Miss J for the distress and inconvenience she experienced once Vanquis was made aware that it wasn't a genuine account.

I would expect Vanquis to need to take some time to review the situation once Miss J reported the issue, but I agree that the amount of time it did take to put matters right was unreasonable. Vanquis ought to have been able to take some steps quickly and if it couldn't stop automatic letters from being sent or fees from being added it should have done more to keep Miss J informed. I can understand why Miss J would have been concerned to receive requests for payment and only generic updates regarding the issues she had raised.

Vanquis appears to have taken over seven weeks to confirm to her that it accepted it wasn't a genuine account, during which time she was worried and stressed about the account and the impact it may have on her credit file. Vanquis' administrative errors appear to have compounded her frustration. I note Miss J chose to pay for a protective marker with a fraud prevention agency, but Vanquis isn't responsible for this cost.

For these reasons I think a more appropriate award is £150 to recognise the impact Vanquis' letters and delays had on Miss J. This is because it had more than a minimal impact on her over the course of several weeks.

### **My final decision**

My final decision is that Vanquis Bank Limited should pay Miss J £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 8 May 2025.

Stephanie Mitchell  
**Ombudsman**