

The complaint

Miss W complains about the way in which Vanquis Bank Limited ('Vanquis') handled her credit account. She says it unfairly reported a default on her credit file.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimal formality.

Vanquis opened the account in June 2021 with the credit limit increasing in December 2022. In August 2023 Miss W contacted Vanquis and informed it that her personal circumstances had changed which was negatively impacting her financial situation. Whilst Vanquis requested further information from Miss W it didn't receive payment and so it registered a default against Miss W.

Miss W complained and said it had acted irresponsibly when lending to her. She made a subsequent complaint about the default it applied. Vanquis didn't issue a final response letter about its decision to issue a default, but our Investigator considered the complaint. In short, she didn't uphold it because whilst she empathised with Miss W's situation, she didn't think Vanquis had done anything wrong so didn't recommend it take any action to put things right.

Miss W remained unhappy and requested the complaint to be reconsidered.

As an agreement couldn't be reached the complaint has 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.

Having done so, I've reached the same overall conclusions as the Investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it affected what I think is the right outcome.

This reflects the nature of our service as an informal alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't, I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I understand this will come as a disappointment to Miss W; however, I'll explain why I think this is a fair outcome in the circumstances.

Firstly, I would like to make clear what I've considered here, Miss W has referred to other financial businesses and its processes in handling similar situations to the circumstances of this complaint. While this is noted, a crucial part of our Service and the way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. So, my decision won't be impacted in any way by something another business may or may not have done, no matter how similar Miss W feels the situation is.

Fundamentally Miss W entered into an agreement to pay Vanquis back in relation to her credit facility. This meant her paying an agreed amount on an agreed date each month for the term of the facility. It's not in dispute that Miss W didn't comply with those terms when arrears accrued on the account. I can understand that Miss W doesn't think her debts should show on her credit file. But I can also understand that Vanquis didn't wish to mislead other lenders by informing credit reference agencies that the debt had been paid.

From the information that's available to me I can see that Vanquis contacted Miss W about the arrears and had several conversations with her about her financial situation. It also offered to put a payment plan in place to avoid the notice being issued but Miss W didn't want to go ahead with that.

Vanquis also wrote to Miss W advising that unless the arrears were cleared a default would be applied but as Miss W had no way of paying off the debt, the account was charged off in October 2023. I've seen a copy of the default notice on 20 September 2023. This referred to the risk of a default being recorded on Miss W's credit file and set out the various ways in which Miss W could bring the account up to date.

Taking all of this into account, I think Vanquis did enough to explain to Miss W that her account was in arrears, what she needed to do to bring the account up to date and when, and the various ways in which payment could be made. Given that the account was in arrears for several months before the default was recorded, I believe it was fair and reasonable for Vanquis to act as it did.

Further, I'm satisfied Vanquis has acted in line with its regulatory responsibilities, and in line with what it told Miss W might happen when it defaulted her account. And I should add, Vanquis is required to report that information to the credit reference agencies.

I'm very sorry to hear of Miss W's circumstances and of the difficulties she's experienced as a result of the default being recorded. That said, I must be fair to both parties. I can't reasonably say on the available evidence that Vanquis wasn't entitled to act as it did.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 10 November 2025.

Rajvinder Pnaiser
Ombudsman