

The complaint

Miss A complains that Vanquis Bank Limited ('Vanquis') misinformed her regarding her credit card account, and set up a direct debit to collect her minimum payments too late.

Miss A's unhappy that this resulted in negative information being recorded on her credit file, and a reduction in her credit limit.

Miss A wants Vanquis to put this right by amending her credit file, restoring her credit limit and paying her £5,000 for her distress and inconvenience.

What happened

When Miss A complained to Vanquis they accepted they'd misinformed her on two occasions. They accepted they had set up a direct debit to take payments after the due date, and that their customer service could have been better.

Vanquis offered Miss A £50 for her distress and inconvenience – although they later increased this to £75.

Vanquis didn't agree to amend their credit reporting. Vanquis said they'd reported arrears on Miss A's account to the Credit Reference Agencies ('CRAs') as Miss A's November 2024 and December 2024 payments were declined. Vanquis noted that October 2024's payment was made two days late, but this was not reporting negatively on Miss A's credit file.

Vanquis said the missed payments influenced their decision to decrease Miss A's credit limit, and they didn't agree to restore this.

Unhappy with Vanquis' response, Miss A referred her complaint to the Financial Ombudsman Service detailing how this matter had impacted her financial standing and caused her a lot of stress and upset.

Our investigator considered Miss A's complaint and thought Vanquis' credit reporting was fair as although there had been issues with the direct debit date, the direct debit hadn't collected any payment at all for November 2024 or December 2024.

However, our investigator agreed that Vanquis misinformed Miss A on two occasions leading to significant distress and inconvenience, and she thought a fairer sum of compensation to reflect this was £150.

Vanquis accepted our investigator's view.

Miss A didn't agree, and said Vanquis hadn't met their obligation to treat her fairly. She referred to case law to support her view that Vanquis' negligent misstatement caused her foreseeable loss – and said she should be compensated accordingly. She asked for an ombudsman to consider her complaint.

I asked for more information from Vanquis and from Miss A, before issuing my findings.

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.

Having done so I've decided to uphold Miss A's complaint in part and require Vanquis to pay Miss A a total of £150 for her distress and inconvenience, but I won't ask them to do more than this. My reasons are broadly similar to our investigator's.

Miss A says Vanquis caused her to miss her payments by setting up the direct debit late. She says this impacted her credit limit and her credit file, despite her efforts to make timely payments.

I asked Miss A to show me that she had money in her account to pay the direct debits if they'd been taken on the due dates for November and December 2024, rather than the 30th.

Miss A didn't think my request was relevant to the complaint and declined to share this information with me. It is up to Miss A whether she chooses to share her information, but this does make it very difficult for me to identify that she would have been able to make her payments on the relevant dates.

I've considered the wider circumstances, in the absence of seeing Miss A's bank statements.

I've seen from Vanquis' system records that Miss A's credit card statements were generated at the start of each month, detailing her credit limit, due date and account activity.

Vanquis' records show that Miss A contacted Vanquis on 3 December 2024 to raise her complaint that Vanquis had set up her direct debit too late, causing her to go into arrears on her account.

Vanquis wrote to Miss A about her account on 2 December 2024, 9 December 2024 and 9 January 2025. Vanquis said a default notice would likely be issued if the arrears of £73.64 weren't cleared.

Despite being aware of the missed payments, and Vanquis' intention to take action on her account, Miss A didn't pay anything after October 2024.

I understand Miss A was in dispute with Vanquis, but I'm mindful that the dispute wasn't over whether she was obliged to make her minimum payments. The basis of Miss A's complaint is that she'd be up to date but for Vanquis' actions, so I'd expect Miss A to have paid her arrears and maintained her account.

I think if Miss A had been a few days late in paying because of the timing of the direct debit, I'd likely have found it unfair for Vanquis to report late payments for November 2024 and December 2024 and I'd have proposed these be removed.

However I am not persuaded from the evidence I've seen that Miss A would have paid in November 2024 and December 2024 had there been no issue with the timing of the direct debits.

In these circumstances I think Vanquis' credit reporting is fair and accurate, and I won't ask them to amend what they're reporting to the CRAs.

Vanquis said their decision to decrease Miss A's credit limit was influenced by the way Miss A managed her account. Given Vanquis are at liberty to change credit limits under the terms of Miss A's account, and Miss A had missed payments, I haven't found this to be unfair or unreasonable in these circumstances.

I acknowledge what Miss A's said about Vanquis' misinformation causing foreseeable harm to her financial standing, but I don't think Miss A has taken reasonable steps to mitigate her loss in this regard.

However I accept that Vanquis' misinformation caused Miss A distress and inconvenience, and she understandably felt let down. Vanquis accepted they misinformed Miss A on two occasions, and I agree with our investigator that their offer of £75 wasn't sufficient to recognise the impact of this.

In the circumstances, I agree with our investigator that £150 is a fairer sum and I think this is in line with the Financial Ombudsman Service's approach to awards of this nature. So, I think Vanquis should pay this amount to Miss A.

Putting things right

Vanquis Bank Limited should pay Miss A £150 in total for her distress and inconvenience. As Miss A has received £75 already, a further £75 should now be paid to her.

My final decision

For the reasons I've outlined my final decision is that Vanquis Bank Limited should put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 26 June 2025.

Clare Burgess-Cade
Ombudsman