

The complaint

Miss A is unhappy with several aspects of the service that she's received from Vanquis Bank Limited.

What happened

Miss A has a credit account with Vanquis which has had limited functionality since February 2022. In August 2024, Miss A wanted to make purchases on her Vanquis account while overseas but found that she was unable to do so.

Miss A spoke with Vanquis and was told that this was because she had two active credit cards – an original credit card, and a replacement credit card that had been sent to Miss A but which she had never activated. Miss A wasn't happy about this, and she also wasn't happy that she had to call Vanquis multiple times while overseas. So, she raised a complaint.

Vanquis responded to Miss A and acknowledged that she hadn't received the standard of service from them that she was entitled to expect, including that Miss A was given an incorrect expectation of when a further replacement card would be received by her. Vanquis apologised to Miss A for what had happened and offered to pay £80 compensation to her. Miss A wasn't satisfied with Vanquis' response, so she referred her complaint to this service.

One of our investigators looked at this complaint and liaised with Miss A and Vanquis about it. During their review, Miss A mentioned that Vanquis had agreed to remove late payment reporting from her credit file but hadn't yet done so. Our agent contacted Vanquis about this who confirmed that they had agreed to amend Miss A's credit file but that the amendment hadn't yet been made. Vanquis apologised for this, amended Miss A's credit file as they'd promised, and offered to pay a further £100 compensation to Miss A, taking the total amount of compensation payable to £180.

Our investigator felt that Vanquis' corrective action and offer of further compensation represented a fair outcome to this complaint. But Miss A disagreed and felt that Vanquis should be instructed to write off her account balance completely and close her account. And because Miss A didn't accept our investigator's recommendations, her complaint was escalated to an ombudsman for a final decision.

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.

Miss A raised two complaints with Vanquis – references ending 210 and 766 respectively. Vanquis have only provided information to this service regarding one of these complaints, reference number ending 210. As such, this review is limited to that complaint only, and I have not considered complaint reference ending 766. If Miss A still wishes for this second complaint to be considered by this service, please can she inform this service as such and, if a separate investigation will be conducted accordingly – assuming that there are no factors

or circumstances that would reasonably prevent this.

Miss A has said that she had trouble with this Vanquis account since February 2022, but she has also said that she depended on the account when she went overseas in August 2024. Given these two statements, I feel it's only natural to question why Miss A didn't resolve the issues she was having with her Vanquis account between February 2022 and August 2024, and why she went overseas depending on a credit account she knew was problematic and had limited functionality.

Miss A has also said that she feels that only fair outcome here is that Vanquis should be instructed to write off her full account balance. But Miss A first contacted Vanquis and notified them that she was overseas on 7 August 2024. At that time, the outstanding balance on Miss A's Vanquis account was roughly £30. And it was only after Vanquis enabled Miss A to use her account again, from 19 August 2024 onwards, that Miss A undertook spending on her account which took the outstanding account balance to approximately £860.

Miss A is therefore asking me to instruct Vanquis to write off a large amount of spending that she has undertaken on the account after the issues about which she complains took place. But that would clearly be both unreasonable and unfair. Ultimately, Miss A has had the benefit of that money, and so I feel it's fair that she should be expected to repay it, as per the terms and conditions of the credit account. I therefore do not uphold this aspect of her complaint.

That isn't to say that Vanquis haven't provided poor service to Miss A. But it is to say that I feel that the fair outcome to that poor service is an apology and a payment of compensation, and I don't accept that the poor service Miss A has received should result in Vanquis being asked to write off spending that Miss A undertook after that poor service had been received.

In their response to Miss A's complaint, Vanquis acknowledged that Miss A had been given incorrect information about when a replacement card would reach her which would enable her to use her account again, and that this misinformation had caused Miss A to call them from overseas to chase an incorrect timeframe. Additionally, Vanquis also acknowledged that Miss A hadn't received a call back when she'd been promised, and that they hadn't updated her credit file reporting as quickly as they should have done.

Vanquis have apologised to Miss A for this poor service and offered a total of £180 to her by way of compensation. This seems fair to me, and I won't be instructing Vanquis to do anything more in this regard.

In taking this position, I've considered the impact of Vanquis' poor service on Miss A, but I've also considered that Miss A could and reasonably should have mitigated against what happened here by resolving the functionality issues on her account with Vanquis before she went overseas, given that by her own admission she'd been aware of them since February 2022. Additionally, I've also considered the general framework this service uses when assessing compensation amounts, details of which are available on this service's website. And, taking all these factors into account, I feel that £180 is a fair compensation amount for the poor service that Miss A has received here.

All of which means that, while I will be upholding this complaint in Miss A's favour, I'll only be doing so to inform Vanquis to pay the £180 to her that they've already offered to pay. And I won't be issuing any further instructions to Vanquis beyond this.

I realise this won't be the outcome Miss A was wanting, but I hope that she'll understand, given all that I've explained, why I've made the final decision that I have.

Putting things right

Vanquis must pay £180 to Miss A.

My final decision

My final decision is that I uphold this complaint against Vanquis Bank Limited on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 18 August 2025.

Paul Cooper
Ombudsman