

The complaint

Mr P is unhappy with how Vanquis Bank Limited ('Vanquis') handled his credit card account and how they reported it to the Credit Reference Agencies ('CRAs').

Mr P wants all trace of his account with Vanquis removing from his credit file and for further compensation to be paid to him.

What happened

In 2024 Mr P asked Vanquis to write off his credit card debt to them on medical grounds. While Vanquis considered this Mr P didn't make payments, and his account defaulted in November 2024.

Vanquis later agreed not to pursue Mr P for his credit card debt, so marked his default as partially settled in January 2025. But Mr P complained that there was a default on his credit file rather than his account being marked as settled. Mr P said this wasn't what other lenders had done for him, and he thought this was an error. He was also concerned that his account had already been defaulted in 2014.

Vanquis said that Mr P's account had only defaulted once. Vanquis said Mr P's account would have defaulted in any event but accepted they could've been clearer about this with Mr P. They offered Mr P £150 in compensation.

Mr P referred his complaint to the Financial Ombudsman Service and our investigator thought Vanquis' credit reporting was fair and accurate in the circumstances, given Mr P hadn't made payments. She said she'd not seen evidence of a previous default for this account. Our investigator considered Vanquis could have communicated more clearly with Mr P over his default, but she thought the £150 Vanquis had paid Mr P was fair to recognise this.

Mr P disagreed and said he could've paid his account and avoided a default if he'd known the debt wouldn't be written off in the way he was expecting. So, he asked for an ombudsman to consider his complaint.

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.

I want to thank Mr P for sharing his personal circumstances and medical evidence with our service, and I am sorry to hear how this matter is affecting him. I don't wish to make matters worse for Mr P but having thought carefully about this matter I've reached the conclusion that Vanquis have offered Mr P a fair outcome to his complaint.

This means I won't ask Vanquis to do more than pay him the £150 they've offered for his distress and inconvenience. I'll explain why I've reached my decision, although my reasons broadly mirror those given by our investigator.

Mr P recalls his account defaulted in 2014 and says it's not fair to default the account again. I've made additional enquiries, but I've not seen evidence to persuade me that this is what happened.

I say this because in 2014 Vanquis passed Mr P's account to their agents ('M') who liaised with Mr P about payments. I can see a default notice was issued in May 2014, but I think that Mr P avoided a default at this time because he entered a payment arrangement with M. I can see from Mr P's credit file that payment information was reported by Vanquis between 2019 and 2024 with a changing arrears status code, which I think is a persuasive indication that the account hadn't defaulted before November 2024.

I haven't found Vanquis are under an obligation to agree to write off Mr P's debt and remove all traces of it from Mr P's credit file. Mr P's mentioned that other lenders agreed to write off his debt in a specific way but I don't think this establishes a recognised industry practice. Rather I think it reflects different lenders making their own commercial decisions, which they are entitled to do.

I have considered whether Vanquis met their regulatory obligations to deal with Mr P fairly and with forbearance and due consideration when he was in arrears and facing default.

Vanquis entered an arrangement with Mr P, via their agent M. And later, when they were satisfied Mr P was in ill health and unlikely to repay them, they agreed not to pursue the debt. I think this was fair to Mr P and paid due regard to his circumstances.

I understand Mr P was frustrated with how long it took for Vanquis to consider the write-off, but I don't think it was unreasonable for Vanquis to require various sources of information to help them reach a decision here.

I recognise Mr P thinks the delay in agreeing the write-off led to the default on his account. Vanquis said they'd default an account if they decided not to pursue a debt, so I think a default was inevitable in these circumstances.

I was pleased to see that Mr P's default date was left as being in November 2024 rather than being updated to January 2025. I think this was fair to Mr P, as it means his default won't stay on his credit file any longer than it needs to. Mr P's default was marked as partially settled which correctly indicates there's nothing to pay.

Mr P said if he had been told that writing off the debt would lead to a default then he'd have carried on with his arrangement organised by M, and the outcome would have been different. But Mr P made it clear in a call with Vanquis that his financial and personal circumstances meant he was unable to pay and he had no intention of entering any further plan. In those circumstances I think it's very likely that Mr P's account would default.

The Information Commissioner's Office ('ICO') expects Vanquis to report a default to the CRAs when an account is between three and six months in arrears. Mr P's account was six months in arrears in November 2024, so I think Vanquis acted in line with the ICO's expectations when reporting his default at this time.

Vanquis accepted they could have communicated better with Mr P by warning him before they defaulted his account in November 2024, and being clear about what not pursuing the

debt meant for the default. Vanquis paid Mr P £150 to recognise they'd caused him distress and inconvenience which I think is a fair sum, and in line with our approach to awards of this nature.

On that basis, I consider Vanquis have treated Mr P fairly in the circumstances of this complaint and I won't ask them to do anything more on this occasion.

My final decision

For the reasons I've outlined, my final decision is not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 July 2025.

Clare Burgess-Cade
Ombudsman