

The complaint

Mr R is unhappy that Vanquis Bank Limited sold his defaulted account to a debt recovery agency ("DRA").

What happened

Mr R had a credit card account with Vanquis. In September 2024, Vanquis defaulted Mr R's account, with a defaulted outstanding account balance of £418.32. On 14 October, Mr R spoke with Vanquis and agreed to repay the outstanding defaulted account balance over six months with five payments of £70 and a final payment of £68.32.

On that phone call, Mr R told Vanquis' agent about his autism and mental health issues – information that Mr R had given to Vanquis several months previously – and explained that his mental position had worsened recently because he'd been impacted by his mother developing cancer.

The following day, 15 October, Vanquis transferred Mr R's account debt to a DRA, which then contacted Mr R. This had an adverse impact on Mr R who wasn't happy that he'd come to a payment arrangement with Vanquis the day before only for his account to then be transferred by them to the DRA, apparently with little consideration of his vulnerabilities and mental well-being. So, he raised a complaint.

Vanquis responded to Mr R but didn't feel that they'd done anything wrong by transferring his account debt to the DRA, which they noted was permitted by the terms and conditions of the credit card account. Mr R wasn't satisfied with Vanquis' response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Vanquis had acted unfairly as Mr R believed was the case and didn't uphold the complaint. Mr R remained dissatisfied, so the matter 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.

I issued a provisional decision on this complaint on 25 June 2025 as follows:

Vanquis have acknowledged that Mr R made them aware of his autism and his mental health in March 2024. Mr R also reiterated this information to Vanquis when he arranged the payment plan with them on 14 October 2024, along with the further caveat that his position had unfortunately been worsened by the impact on him of his mother's cancer. As such, I feel that Vanquis should have considered Mr R to have been a vulnerable customer.

Vanquis have said that they noted Mr R's vulnerabilities when Mr R made them aware of them. But I don't feel that it's enough for Vanquis to have just noted Mr R's vulnerabilities – I feel that Vanquis should have actively considered those vulnerabilities when undertaking

actions on Mr R's account. And, in this instance, I'm not persuaded that Vanquis did so.

Ultimately, when Vanquis transferred Mr R's account to the DRA, they knew that Mr R has autism and mental health concerns, and they also knew that Mr R's mental health at that time was being impacted by his mother having cancer. And given this knowledge, I don't feel that it was fair or reasonable for Vanquis to have transferred Mr R's account debt to a DRA – an act which I feel Vanquis should reasonably have understood could have been adversely impactful on Mr R because of his vulnerabilities and his personal circumstances at that time.

I've asked Vanquis to provide evidence that Mr R's personal circumstances were considered by them when they made the decision to transfer his account to a DRA. But Vanquis haven't provided any such evidence, and so I feel that it's reasonable to confirm that Vanquis didn't take these important factors into account before they transferred Mr R's account to the DRA. And I feel that if Vanquis had taken Mr R's vulnerabilities into account before acting to transfer his account balance to the DRA, they could and reasonably should have made the decision to not transfer his defaulted account balance to the DRA, on the recognition and understanding of the impact such a transfer might have.

Because of this, I feel that Mr R has incurred an unfair outcome here that has adversely impacted him, and I'm provisionally upholding this complaint in his favour and provisionally instructing Vanquis to pay £400 to him by way of compensation as a result. Mr R has confirmed that he has now paid the full outstanding defaulted account balance to the DRA, and so I'm unable to instruct Vanquis to recall that balance from the DRA – which I would have done had any part of that balance still been outstanding.

In arriving at the £400 compensation amount, I've considered the impact of what happened here on Mr R during what was clearly a difficult time for him. And I've also considered the Vanquis missed several opportunities to resolve this situation when Mr R first contacted them and explained the adverse impact that his being contacted by a DRA was having on him. Additionally, I've also considered the general framework that 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 £400 is a fair compensation amount.

Both Mr R and Vanquis responded to my provisional decision and confirmed that they were in acceptance of it. As such, I see no reason not to uphold this complaint in Mr R's favour on the basis described in my provisional decision. And I therefore confirm that my final decision is that I do uphold this complaint in Mr R's favour on that basis accordingly.

Putting things right

Vanquis must pay £400 to Mr R.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 24 July 2025.

Paul Cooper
Ombudsman