

The complaint

Miss M complains that Vanquis Bank Limited registered a default and sold her account to a third party whilst she was on a payment plan.

What happened

Miss M took out a credit card with Vanquis in June 2014.

In June 2017 Miss M contacted Vanquis and explained that she'd had a change in her circumstances. Vanquis agreed a payment plan of £44.00 per month for 2 months with interest and fees suspended.

In January 2018 Miss M advised Vanquis that she needed further support as she was no longer working. Vanquis agreed a long-term payment plan with payments of £1.00 per month with interest and fees suspended.

In February 2022 Miss M contacted Vanquis and advised that her circumstances had improved. She increased her payment to £50 per month and made payments of £50 until June 2023 when she missed a payment. Vanquis issued a Notice of Default. Miss M resumed payment of £30 per month the following month.

In November 2023 Miss M contacted Vanquis and asked to reduce her payments to £10 per month. Vanquis agreed and explained to Miss M that if she didn't repay the arrears on the account within a reasonable time this could lead to a default being registered.

Miss M made payments of £10 per month but didn't make any additional payments to clear the arrears on her account. On 6 February 2024 Vanquis defaulted the account and passed it to a third-party agency.

Miss M complained to Vanquis. She said she'd never been told that her account would be defaulted and sold to a third party.

Vanquis didn't uphold the complaint, so Miss M brought her complaint to this service.

Our investigator didn't uphold the complaint. He said that Vanquis's records showed that it had explained to Miss M that not addressing the outstanding arrears on her account could lead to a default being registered. The investigator said that Vanquis hadn't made an error by defaulting the account and that the terms and conditions of the account allowed Vanquis to sell the debt to a third party.

Miss M didn't agree. She said she'd never received a Notice of Default in January 2024 and that although she'd notified Vanquis of her new address in 2023 they had continued to send correspondence to her old address.

Because Miss M didn't agree I've been asked to review the 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 know it will disappoint Miss M, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've set out the background to the complaint in detail above. Its not in dispute that Miss M reduced her payments from £50 per month to £10 per month following the phone call dated 2 November 2023.

I haven't been able to listen to that call. However, I have been able to review the system notes relating to the call. These show that the Vanquis agent discussed the payment plan with Miss M and explained to her that is she didn't address the outstanding arrears on the account within a reasonable time this could lead to a default being registered. The system notes also show that before discussing the account, Miss M was taken through security checks and was asked to confirm her address. The notes show that the address held by Vanquis on file was confirmed by Miss M as correct. Theres nothing in the notes from the call to suggest that Miss M asked for her address to be updated.

Based on what I've seen in the system notes, I'm satisfied that Vanquis explained the possibility of a default being registered to Miss M. I'm also satisfied that there was no request to update address details during the call.

Miss M made payments of £10 per month thereafter and has queried why a default was registered. I've reviewed the statement of account and I can see that there were outstanding arrears on the account. Because Miss M didn't take steps to clear these arrears within a reasonable time the account was defaulted.

Miss M has said that she never received a Notice of Default (NOD). I've reviewed the information provided by Vanquis and I can see that the NOD was sent on 8 January 2024. This service asked Vanquis for evidence to show that the NOD was sent to Miss M and it provided systems evidence to show that the NOD was posted to Miss M at her registered address.

I appreciate that Miss M has said that she didn't receive the NOD. However, the evidence shows that the NOD was correctly sent. I'm unable to hold Vanquis responsible if failures of the national postal system were the reason for Miss M not receiving the NOD.

Once the NOD was sent, Miss M had a fixed period of time to bring the account up to date. She didn't do this and a default was registered on 6 February 2024.

Looking at what's happened here, and having reviewed all the available information, I haven't seen anything to suggest that Vanquis made an error when it registered the default.

I appreciate that Miss M is unhappy that her account has been sold to a third party. I've reviewed the terms and conditions of the account and these allow Vanquis to sell or assign the debt. So I'm not persuaded that Vanquis has made an error or treated Miss M unfairly.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 12 August 2025.

Emma Davy
Ombudsman