

The complaint

Mr B complains that Vanquis Bank Limited ('Vanquis') unfairly defaulted his credit card account without giving him prior warning. Mr B's also unhappy that Vanquis took a long time to close his account when he requested this.

To put things right Mr B wants the default removing from his credit file and for his distress and inconvenience to be recognised.

What happened

Mr B had a payment arrangement with Vanquis in 2022 but he missed payments that were due in March 2022, January 2023 and March 2023.

Mr B subsequently became aware that Vanquis had defaulted his account in April 2023 and this was reflected on his credit file. Unhappy with this, Mr B complained.

Vanquis explained they'd sent a default notice on 24 March 2023 and when the amount required to avoid a default hadn't been paid, Mr B's account had defaulted and the Credit Reference Agencies ('CRAs') had been updated. Vanquis said they'd acted in line with their obligations and didn't agree to remove the default they'd registered.

Mr B paid off his balance in September 2024. In February and March 2025 he spoke with Vanquis about how long it had taken to close his account and said that his credit file hadn't been updated.

Unhappy with Vanquis' stance in relation to his complaint, Mr B referred his complaint to the Financial Ombudsman Service. Our investigator thought Vanquis had acted fairly. Our investigator also considered that if Mr B wished us to look at the way Vanquis handled his account after the default, he'd need to complain to Vanquis first.

Mr B was unhappy that weight hadn't been given to some of the evidence he'd supplied. Our investigator wasn't persuaded this was relevant to the complaint at hand, but Mr B disagreed. He asked for an ombudsman's 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'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 am sorry to disappoint Mr B but I broadly agree with our investigator, and I've decided not to uphold his complaint. I'll explain why.

Mr B provided a copy of Vanquis' letter dated 14 October 2022 to support his position that Vanquis weren't being fair. Mr B said this letter indicated two things. Firstly, that Vanquis had

previously made an error taking his payment. Secondly, as he'd not received this letter in the post but by email in March 2025, that Vanquis weren't properly posting their letters and were doing something underhand. Mr B was suspicious that the October 2022 letter referred to the default, but the default happened in April 2023.

I acknowledge Mr B's lost trust in Vanquis. However Vanquis hadn't taken a payment because Mr B's card had expired. I don't find this persuades me that Vanquis have routinely neglected to collect payments. It's also clear to me that the October 2022 letter relates to a late payment marker and not a default. I think this has no bearing on the matter Mr B is now complaining about, other than showing Mr B was aware that missed payments impacted his credit file.

The Information Commissioner's Office (ICO) sets out guiding principles for businesses reporting arrears, arrangements and defaults. This sets out that by the time an account is at least three months in arrears, and normally by the time an account is six months in arrears, it's generally expected that a default will be registered.

Vanquis provided evidence from their system to show a default notice was sent to Mr B on 24 March 2024. While I won't be able to get to the bottom of why this didn't reach Mr B, I'm not persuaded it's fair to hold Vanquis responsible for this as it was correctly addressed.

Even if Mr B didn't receive the default notice, I don't think it's unfair for Vanquis to register a default on his credit file.

I say this because while they share the same term – "default" – a default notice and a default on a credit file are different things, though they often occur at the same time.

The ICO explains on their website in their information to the public that while there is a requirement under the Consumer Credit Act 1974 to issue a default notice in some circumstances, there is no data protection obligation on a lender to issue such a notice to individuals prior to marking the account as being in default on their credit file.

So although the ICO would typically expect Mr B to be forewarned a default could be registered, this didn't have to be in the form of a default notice.

I'm satisfied that Vanquis took reasonable steps to notify Mr B of the position with his account. Vanquis' system notes show letters were generated and sent to Mr B to notify him he'd missed payments, in addition to the default notice. Vanquis were issuing statements and Mr B was expected to check these and monitor his account. I'm mindful that Mr B had a history of arrears and had made many payment plans with Vanquis, so I think he was likely aware that not paying would lead to a default being registered.

Taking into account the industry expectations here, I don't think it was unfair or unreasonable for Vanquis to register Mr B's default when they did, as he'd missed three payments under his arrangement and they had taken reasonable steps to notify him of the position with his account.

I've seen Mr B's credit file which shows Vanquis are currently reporting the default as satisfied. I think this is correct as Mr B paid off his balance in September 2024.

I'm sorry to disappoint Mr B but I've not found cause to uphold his complaint, and I'm not going to ask Vanquis to take action on this occasion.

I'm aware Mr B has subsequently raised concerns with Vanquis about when his account was closed and when his credit file was updated. I'm happy to share that I've seen a note that

Mr B's account was closed in September 2024, but if Mr B thinks this is wrong or wants this matter looking at in more detail, he will need to raise a complaint to Vanquis about this first before our service can investigate.

My final decision

For the reasons I've given, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 September 2025.

Clare Burgess-Cade
Ombudsman