

The complaint

Mr S is unhappy that Vanquis Bank Limited failed to adequately support him when he had financial difficulties and failed to provide him with adequate notice of a default.

What happened

Mr S had a credit card with Vanquis and, in December 2023, he complained to them that they had acted irresponsibly when providing the card to him.

In early 2024, Mr S contacted Vanquis and advised them he was having financial difficulties. They provided him with some advice about contacting his other creditors, and a number for him to call to get back in touch with them once he'd done this. Shortly after this, they wrote to Mr S and told him they didn't uphold his complaint about irresponsible lending.

On 11 October 2024, Mr S completed an online complaint form, advising Vanquis of his financial difficulties, ill health, and mental health issues. And he asked for support. Despite this being acknowledged by Vanquis' complaints team, they didn't treat this as a complaint. Instead, they advised Mr S they would pass the matter to the relevant department, who would get back to him as soon as possible.

Vanquis' payment team contacted Mr S by email the same day, asking him to provide his date of birth so they could verify they were talking to the right person. This email contained a disclaimer saying that sending information by email was not a secure method of transferring information, and confidentiality couldn't be guaranteed. So, they asked that *"you do not provide any personal data about yourself or your account in any email communication."* They also said that Vanquis would *"never contact customers asking for their account details or online banking details."*

Given this disclaimer, Mr S replied on 13 October 2024 to say that he wasn't prepared to send over his date of birth by email. The following day, Vanquis emailed Mr S asking that he contact them as they were unable to deal with his query by email. They provided Mr S with a phone number for him to call them on, and they followed this up by letter on 18 October 2024, asking him to *"contact us to discuss your options."* Within this letter they also provided contact information for third-party organisations who were able to offer free and impartial advice to people in financial difficulties.

Mr S didn't contact Vanquis following this.

Vanquis wrote to Mr S on 19 November 2024, advising there was an outstanding payment of £129.52, and providing him with a number to contact them on if he was experiencing financial difficulties. This letter was headed *"URGENT – Action Required – Pending Notice of Default"*, and Vanquis also explained that if Mr S didn't make the required payment, or agree a suitable repayment plan within 14 days, a Notice of Default would be issued.

Mr S didn't contact Vanquis or make any payment, so the Notice of Default was sent on 12 December 2024. This said the arrears were now £203.32 and Mr S needed to either make this payment in full or set up an arrangement by 9 January 2025, or they would default his

account. While Mr S paid £53.69 on 8 December 2024 – less than the minimum amount he needed to pay to avoid a default – he didn't contact Vanquis to make any arrangement, so, Vanquis defaulted and terminated the account.

Mr S contacted Vanquis in early February 2025, as he was unable to access his account. He complained that Vanquis hadn't adequately supported him, that he didn't receive the Notice of Default, and that the default was unfairly applied. Vanquis didn't uphold the complaint, so Mr S brought the matter to the Financial Ombudsman Service for investigation.

Our investigator said they thought Mr S's contact with Vanquis in October 2024 wasn't a complaint, and that Vanquis acted reasonably by trying to verify Mr S's identity before discussing the account with him. As they were unable to do this, it was reasonable of Vanquis to ask Mr S to contact them. Which he didn't.

The investigator also said that Vanquis contacted Mr S by letter after this, again providing contact details where he could discuss his financial difficulties. So, the investigator thought Vanquis had taken reasonable steps to offer Mr S some assistance.

With regards to the default, the investigator said that Vanquis had sent the Notice of Default to the address they had on file for Mr S, and it was where Mr S has confirmed he lived. They said that Mr S was in arrears at the time of the default, so Vanquis had acted reasonably by applying this. So, they didn't need to do anything more.

Mr S didn't agree with the investigator's opinion. He said that he had raised a complaint with Vanquis in October 2024, through their website, and he thought that Vanquis should've treated it as such. He didn't think it was reasonable for Vanquis to email to ask him for personal details, while providing a disclaimer asking him not to; and he thought that they should've sent him a Final Demand letter after the Notice of Default had expired – he said this is what other finance providers have done.

Mr S also referred to his financial position, having previously taken out over 100 payday loans, and that Vanquis hadn't provided him with the support he thought they should've done – he believed they should've applied breathing space in October 2024.

I issued a provisional decision on 18 September 2025, where I explained my intention to uphold the complaint. In that decision I said:

If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

Before I explain why I've reached my decision, I think it's extremely important for me to set out exactly what I've been able to consider here. As part of his complaint and comments, Mr S has referred to the contact he had with Vanquis in January 2024.

I've reviewed Mr S's previous complaint about Vanquis, which he raised with us in February 2024. Within his complaint email, he raised the issue of irresponsible lending and that "I told them I was in financial difficulties ... and it's been over two months now without a response or offers of support." Given the timeline, and that Mr S initially said that he contacted Vanquis for support in December 2023 (although Vanquis' case notes show that it was in January 2024), I'm satisfied the contact Mr S is referring to is the contact in January 2024.

This was referred to in the investigator's opinion, where they reminded Vanquis of their obligations, and when Mr S responded to this, he didn't raise any objections to what the

investigator had said about the January 2024 contact – he only commented on the initial lending decision itself.

My colleague issued a final decision on 21 August 2024, where they confirmed they'd considered all the evidence, which would include the evidence relating to the January 2024 contact. And they said they didn't think Vanquis had treated Mr S unfairly in any other way. After the decision had been issued, the investigator also provided Mr S with the contact details for Vanquis' financial difficulties team.

The rules under which we operate don't allow us to deal with a complaint that's already been considered by the Financial Ombudsman Service, unless there is material new evidence that has subsequently become available. In this instance, as the January 2024 contact has already been considered, and as there is no material new evidence, I won't be considering this as part of my decision.

I've also noted that Mr S has referred to how other financial businesses have dealt with his financial difficulties. A crucial part of our service and the way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. So, my decision will only consider what Vanquis have done, and whether that's in line with the requirements laid down by their regulator, the Financial Conduct Authority ('FCA').

I've seen a copy of the online form Mr S completed on 11 October 2024. Under the section 'what happened' Mr S referred to his irresponsible lending complaint and explained that he'd contacted Vanquis in January 2024 for assistance with his financial difficulties. He said he'd been told to speak to his other creditors first, and that no-one at Vanquis had contacted him to offer any help. He went on to explain that he'd raised this matter with the Financial Ombudsman Service, that he was still having financial difficulties, and was dealing with ill health and suicidal thoughts.

Under the section 'what can we do', Mr S asked for "some financial assistance, whether that is helping me with the interest charges or giving me some time to pay back the debt without having to take out more payday loans, doubling my debt instantly each month, or just giving me a break but I would like some support as I see no way out of this situation."

While Mr S contacted Vanquis' complaints department, I don't think he was raising a complaint. While he'd referred to what happened in January 2024, he also said that this had been looked at by our service. So, while important, this was background information for Mr S's request for some form of assistance due to the financial difficulties he was now in. Given this, I don't think that Vanquis acted unreasonably by not treating this as a complaint, and by passing this to the relevant department to contact him.

The FCA have rules in place for the treatment of customers in or approaching arrears or in default. And these say that customers should be treated with forbearance and due consideration. So, I also think that Vanquis were acting in line with these rules by passing Mr S's contact to their payments department, as they would be the most suited to assist him.

I'm satisfied that the email Vanquis sent Mr S on 11 October 2024 was both confusing and contradictory. While Vanquis weren't asking him for his account or online banking details, they were asking him to provide personal information by email while at the same time telling him not to provide personal information by email. So, I can see why Mr S responded as he did. And, while they responded asking Mr S to contact them, he'd already done this and explained his circumstances. What's more, he referred to the January 2024 contact when he'd also explained he was in financial difficulties.

Given this, and what Mr S has said about his suicidal thoughts, I don't think Vanquis acted reasonably by sending Mr S a single email asking him to call them, and following this up with standard arrears letters that contained their number. I think they should've made further attempts to contact Mr S, ideally by phone where they could've completed the necessary identity checks without asking Mr S to compromise the security of his information.

As such, I intend to ask Vanquis to do something about this.

I've also seen copies of Mr S's credit card statements with Vanquis between December 2023 and February 2025. On each statement, Mr S was asked to make a payment that included that month's minimum payment, the amount Mr S had exceeded his credit limit by, and (on some occasions) the missed payment from the previous month. While Mr S made payments in December 2023, March, April, May, July, August, September, and December 2024, on none of these occasions did he pay the full amount Vanquis had asked him to pay. And Mr S continued to use the card up until 23 September 2024.

So, over a 14-month period, Mr S failed to make any payment at all for six of those months and paid less than the requested payment for the remaining eight months. Given this and given the fact that Mr S had told Vanquis that he was in long-term financial difficulties, I don't think they acted unreasonably by defaulting the account when they did.

I've seen copies of the letters Vanquis sent after the October 2024 contact, and they were all sent to Mr S's correct address. While Mr S said he never received the Notice of Default, he hasn't said that he didn't receive the 19 November 2024 letter which gave advance notice of the default. And Mr S could've stopped the process at any time by contacting Vanquis again, by phone, letter, or email, or by asking someone to contact them on his behalf.

I've also considered that any long-term payment plan that included a suspension of interest and charges, would also likely result in the agreement being defaulted, and the card being cancelled. So, I can't say that Mr S now finds himself in a different situation to the one he would've been in if he'd been able to agree a payment plan with Vanquis in October 2024. As such, I don't intend to ask Vanquis to remove the default and reinstate Mr S's card.

But, as I've said, I do think Vanquis should compensate Mr S for their failure to treat him with forbearance and due consideration in October 2024. However, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

I've no doubt that Vanquis' actions in October 2024 caused Mr S some distress and worry in what was already a difficult situation for him. But I also need to consider that a default (along with the suspension of interest and charges this brings) was always the likely outcome, and that Mr S was also under strain from outside pressures that weren't the responsibility of Vanquis – he's explained that he was also in arrears with other financial institutions.

Given this, I intend to ask Vanquis to pay Mr S £150, which I consider to be fair given all the circumstances I'm considering and in line with our service's approach. I would also expect them to contact Mr S to arrange a suitable repayment plan for the outstanding amount.

Responses

Vanquis accepted my provisional decision without further comment.

Mr S didn't accept my provisional decision. He said that Vanquis should've given him breathing space "as a *minimum and without even discussing an income and expenditure review.*" He said this would've suspended the interest and given him some time to formulate

a repayment plan. And this is what his other creditors did. He also said that Vanquis didn't support him when he told them he was feeling suicidal.

He also said that, had he received the Notice of Default, he would've paid the minimum amount required to stop the default; and the default was now preventing him from renting any property in the next six years.

Mr S further commented that Vanquis failed to send him a Final Demand letter after the Notice of Default had expired. He said he was in persistent debt with Vanquis for more than five years, paying more in charges and interest than he did off the outstanding balance, and Vanquis failed to support him in this either.

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.

What I've Decided and Why

I've considered the comments made by Mr S, but they don't change the view I set out in my provisional decision. And I'll explain why.

As I explained in my provisional decision, I agree with Mr S that Vanquis could, and should, have done more after receiving his correspondence in October 2024. But I also need to consider what was the likely outcome if they had contacted him at that time to help.

As Mr S has explained in detail, he was in financial difficulties at the time with both Vanquis and other lenders. He was also reliant upon payday loans. So, it's highly unlikely that he would be able to repay his arrears with Vanquis, and maintain regular payments to clear his outstanding balance in a reasonable period of time, while interest was being charged. As he's explained, what Mr S needed was some form of interest suspension and a viable repayment plan.

While breathing space would've given Mr S some temporary relief, it wouldn't have been a long-term solution. This could most likely be achieved by Vanquis suspending all interest going forward. But, in doing so, the account would've also been defaulted. Therefore, I remain satisfied that a default, along with the suspension of interest and charges that goes along with it, was always the most likely outcome for Mr S.

I accept that, if breathing space had been applied, and if Mr S had seen the Notice of Default and paid the arrears Vanquis were asking for in December 2024, then the default would likely have happened a few months after it did. But it would still have happened. And Vanquis weren't required by the FCA to send a Final Demand letter after the Notice of Default expired, they were entitled to go straight to default. And, in doing so, interest was suspended and Mr S was protected against his debt with Vanquis increasing due to interest and charges.

As such, I won't be asking Vanquis to remove the default from Mr S's credit file. Nor will I be asking them to amend the date of the default to when it would likely be applied if breathing space was applied – as Mr S has said, the default will remain on his credit file for six years, and moving the default date forward will only result in this affecting him for a longer period.

Mr S has also raised the issue that Vanquis failed to deal with his persistent debt in line with the FCA's guidelines. This is something that he didn't raise in his initial complaint, and our

rules don't allow us to consider a complaint unless the financial business has had the opportunity to deal with it first. So, this is something I won't address in this decision.

As such, and while I appreciate that this will come as a disappointment to Mr S, I see no compelling reason why I shouldn't now adopt my provisional decision as my final decision.

Putting things right

For the reasons stated in my provisional decision and above, Vanquis should pay Mr S £150 to compensate him for the trouble and inconvenience caused by not dealing with his October 2024 communication as they should. Vanquis must pay this compensation within 28 days of the date on which we tell them Mr S accepts my final decision. If they pay later than this date, Vanquis must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment.

If HM Revenue & Customs requires Vanquis to take off tax from this interest, Vanquis must give Mr S a certificate showing how much tax they've taken off if he asks for one.

My final decision

For the reasons explained, I uphold Mr S's complaint about Vanquis Bank Limited. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 November 2025.

Andrew Burford
Ombudsman