

The complaint

Mr Y complains that Vanquis Bank Limited registered a default to his credit card account, and that it sold the account to a third party.

What happened

Mr Y held a credit card account with Vanquis. In December 2024 Mr Y missed a payment and the account fell into arrears. He missed a further two payments, and Vanquis sent a notice of default requiring him to pay the arrears balance of £299.53 before 14 March 2025.

On 15 March 2025 Mr Y called to discuss his account and put a payment plan in place. He explained that he was going through financial difficulties, but he was in the process of selling his house which would allow him to clear his debts. The agent told Mr Y a default had been registered, and he made a complaint. He said he hadn't received a default notice or any other correspondence about the account.

He called back a few days later and went through his income and expenditure to put a payment plan in place. He proposed making payments of £30 per month until his house sale went through. After some discussion, Mr Y decided not to put a payment plan in place at that point as the complaint was still being investigated.

Vanquis didn't think it had made an error, and said the default notice was sent correctly. It sent its response to the complaint, but Mr Y says he didn't receive it. He next heard from Vanquis a month later when it told him his account had been sold to a third party.

The complaint was referred to this service. Mr Y says that both times he called Vanquis he was advised not to put a payment plan in place or make any payments. He says he wanted to make a payment – and had he been allowed to do so the default and sale of the account could have been avoided. He wanted Vanquis to remove the default, take the account back from the third party and allow him to set up a payment plan.

One of our Investigators considered the complaint and didn't uphold it. They were satisfied Vanquis followed the correct process when registering a default, and said it was entitled to sell the account regardless of this. Based on the available evidence they didn't think Vanquis had treated Mr Y unfairly during the calls. Mr Y didn't agree. He said the decision to default and sell the account was directly caused by Vanquis' poor communication and would have been avoided had it handled the situation better. He was also unhappy Vanquis had failed to provide recordings of the relevant calls to demonstrate what was said. He asked for the complaint to be referred to an Ombudsman for a final decision. So, it's been passed to me to decide.

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 can understand why Mr Y feels let down by Vanquis. He says he didn't receive the default

notice, so it would have come as a disappointment to find out the default had been registered. Vanquis, like all lenders, is required to record true and accurate information about how their customers manage their accounts. Lenders can usually register a default if an account is more than three months in arrears – and I'd usually expect one to be registered by the time an account is six months in arrears. But there are exceptions to this – for example, if the arrears are cleared before the deadline set in a default notice, or if a payment arrangement is put in place.

In this case, Mr Y's account was three months in arrears when the default was registered. So, I've considered whether Vanquis made an error – or otherwise treated Mr Y unfairly – when registering the default.

Vanquis has provided copies of letters sent between December 2024 and February 2025. The first of these was a notification that a payment had been missed. The second stated that the account was still in arrears and that a notice of default might be issued. The third letter, sent 14 February 2025, was a notice of default. While I appreciate Mr Y says he didn't receive these letters, I can see they're addressed correctly. Vanquis is required to send statutory notices – such as defaults – by letter, and I'm satisfied it did so here. I can't fairly hold Vanquis responsible for Mr Y not receiving letters if they were sent. Because Mr Y didn't contact Vanquis or make a payment by the deadline, Vanquis was entitled to register a default.

Mr Y says that when he called Vanquis, he was told not to make a payment or put a payment plan in place. Vanquis has now provided recordings of the calls that took place in March 2025. Having listened to the calls I'm satisfied the notes previously provided by Vanquis represent an accurate reflection of what was said – so I've reached the same overall conclusions about the calls as our Investigator did. But for completeness I'll comment on them.

The first call took place on 15 March 2025 – the day after the deadline in the default notice. Mr Y called to discuss his account and offer a payment arrangement – as he was aware the account was in arrears and wanted to avoid a default. He said the most he could offer was £30 per month which he could start paying from 1 April.

Before a plan could be discussed further, the agent explained that a default notice had been issued and that – because the arrears weren't repaid in time – a default had been applied, and the account would be updated to reflect this over the next week. Mr Y asked if the default could be removed but the agent couldn't guarantee this. The conversation moved on to the complaint. The agent then offered to discuss Mr Y's circumstances further so a payment plan could be set up – but Mr Y didn't have the necessary details to hand. It was agreed that Mr Y would call again within the next week. Before ending the call, Mr Y asked if making a payment that day would prevent the default – and the agent said it wouldn't.

Mr Y called again a few days later with details of his income and expenditure so a payment plan could be put in place. After discussing his circumstances, it was agreed that Mr Y could make payments of £30 per month. The agent said they could put in place a verbal agreement for Mr Y to make reduced payment. But the amount he was offering wouldn't clear the balance within a reasonable timeframe so the plan wouldn't be a formal arrangement and wouldn't affect the terms of the agreement. The agent also mentioned that because Mr Y hadn't paid the arrears on the account a default would be registered – if it hadn't been already.

Mr Y reiterated his concerns about the default and highlighted that he'd made a complaint about it already. The agent explained that the complaints team would investigate the default as requested, and that it was Mr Y's choice whether he wanted to put a payment plan in

place now or wait until after the complaint was resolved. Mr Y chose not to proceed and said he'd wait for the complaint to be resolved.

I don't think Vanquis' agents prevented Mr Y from making a payment or setting up a payment plan over the phone. No plan was set up in the first call because Mr Y didn't have the required details to hand. In the second call, Mr Y decided not to proceed with the plan until after his complaint had been investigated – but the agent was clear that it was for Mr Y to decide this, and that he could start making payments in the meantime.

Mr Y notes that the default wasn't registered until 17 March 2025 – two days after he was told it was too late to avoid. He says that if he'd been aware that the default hadn't been registered, he would've made a payment over the phone at the time. Vanquis says any payment would take two working days to clear – so a payment made on 15 March (a Saturday) may not have been processed before the default was registered on the Monday. I've considered this – as well as the fact Mr Y says he didn't receive the default notice. Taking all the circumstances into account, I don't think it's likely that the default would have been avoided even if Mr Y received the notice or if the agent told him it hadn't yet been registered. I'll explain why.

First, it's important to note that the default notice required the arrears to be paid by 14 March 2025. The default wasn't registered for three days after this – likely due to the weekend - but as the arrears hadn't been paid before the deadline Vanquis was entitled to register a default. The default notice was clear that any payment had to reach Vanquis *before* 14 March 2025 for the default to be avoided. And even if Mr Y didn't receive the notice, I'm satisfied he was reasonably aware the account was in arrears and at risk of defaulting – as he knew he hadn't made any payments for several months.

When he first called, Mr Y was clear that he couldn't enter a payment arrangement at the time as he didn't have enough information to do so. As I've noted above, the payments Mr Y offered to make weren't sufficient for Vanquis to accept as a formal payment arrangement – so the default may still have been registered even if a plan was put in place during this call. Mr Y also says any payment made on 15 March would have been sent instantly and would have reached Vanquis before the default was registered. But even if funds were sent to Vanquis, it would still have taken time for that payment to be processed on Vanquis' system and for it to reflect on the account.

In the second call, Mr Y said he had very little disposable income and didn't suggest he had any other funds available to put towards the account or clear the arrears. If he had funds available to clear the arrears, I think it's likely he'd have done this before the account reached the point of defaulting. And I haven't seen any other evidence to persuade me that Mr Y was in a position to clear the arrears. Taking this into account I don't think it's likely he would have cleared the arrears before the default was registered even if he'd received the notice or if he'd been told over the phone that doing so would avoid the default.

So, while I've considered Mr Y's points about not receiving the letter and what he was told over the phone, I don't think they ultimately make a difference. Given the level of arrears – and because those arrears weren't repaid before the deadline set out in the default notice – I'm satisfied the default is a true and accurate reflection of how Mr Y's account was managed. So, I don't require Vanquis to remove it.

Mr Y is also unhappy his account was sold. This happened around six weeks after the default was registered after no further payments were made and no payment plan was put in place. While I appreciate Mr Y says he didn't see Vanquis' response to his complaint – and thought the matter was still under investigation – I'm satisfied he was aware of the default and the status of his account. And as I've outlined, I don't think he was told by either of

Vanquis' agents that he shouldn't put a payment plan in place or make any payments towards the account. But he was told during the second call that Vanquis might decide to sell the account – even if he started making payments. Vanquis was entitled to sell the account and I'm satisfied it did so fairly in this case – given that it hadn't heard from Mr Y in some time and no payments had been made.

I appreciate this will come as a disappointment to Mr Y, but for the reasons I've explained I don't find that Vanquis made an error that resulted in a default being registered or the account being sold. So, I don't require it to do anything further.

My final decision

My final decision is that I don't uphold Mr Y's complaint about Vanquis Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 12 December 2025.

Stephen Billings
Ombudsman