

The complaint

Mr D complains about how Vanquis Bank Limited reported information to credit reference agencies in relation to a credit card.

What happened

Around May 2018 Mr D took out a credit card with Vanquis.

Unfortunately, Mr D got into financial difficulty and his account went into arrears. Mr D was sent a default notice in April 2019 and the terms weren't met. The debt was later passed to a debt collection agency I'll refer to as 'L' and a default was recorded on Mr D's credit file.

Mr D then said Vanquis had repeatedly failed to update the correct date of default with the credit reference agencies, as this had been added too late. He said this had caused significant harm to his credit worthiness and resulted in him being declined lending and caused higher interest rates to be applied on products.

Mr D complained to Vanquis and it issued a final response in September 2024. This said, in summary, that the notice of default had been sent to Mr D on 25 April 2019 as his account had remained in arrears for three months. It explained its previous process was not to record the default until the account had been 'charged off' at '210 days delinquent'. It said this was why the default had been recorded as 30 August 2019.

It then said following an earlier complaint from Mr D it agreed to change the date with credit reference agencies, but this hadn't been actioned.

Vanquis said the earliest it could've defaulted Mr D's account was 13 May 2019. So, Vanquis said it should've updated Mr D's credit file to reflect this. It said it had now submitted a request for this to be done and offered £150 to apologise.

Mr D remained unhappy and referred the complaint to our service.

Vanquis confirmed to our service that it had submitted a request for the default date to reflect on Mr D's credit file as 14 May 2019. It said this could take six to eight weeks to process. And it offered a further £75 compensation to Mr D.

Our investigator issued a view and upheld the complaint. She said, in summary, that Mr D had spent effort trying to resolve the situation over some time. She said Vanquis should pay Mr D a total of £300 to reflect the inconvenience caused. And she noted Vanquis had explained it would change the date of the default as above.

Mr D responded and explained his credit file had not been updated. And he said it would be reasonable for the outstanding debt to be recalled from L and settled.

Our investigator explained she didn't think Vanquis needed to settle the debt. And she said Vanquis had said it had updated the credit file.

Mr D then accepted the outcome. Vanquis also responded and said it accepted.

Mr D later wrote to Vanquis and explained his credit file still had not been updated. He said Vanquis should pay him £23,000 in compensation based on legal judgements he referred to. And he said the situation had a significant impact on his mental health.

Mr D sent our service a copy of his credit file dated 17 January 2025 showing the default date on the account with Vanquis was recorded as 14 May 2019. But he showed the default date recorded on the linked record from L was still showing as 30 August 2019.

Vanquis responded and said the legal cases Mr D referred to were about significantly different circumstances and it did not believe any further compensation was due.

Mr D said he believed he was still due further compensation. He said he would now accept £22,000 to settle the complaint.

Mr D then explained to our service he no longer accepted the investigator's outcome and asked for an ombudsman's decision.

Vanquis got in touch with our service and confirmed that it had updated the default date.

Vanquis also told our service it had contacted L in October 2024 on Mr D's behalf and asked for the default date to be changed.

Mr D told Vanquis he would now accept £10,000 to settle the complaint.

Our investigator responded and said Vanquis had shown Mr D's credit file had been amended. And so she said there was nothing further to do.

Vanquis later provided some more information from L. This showed Mr D's credit file was updated on 21 January 2025 and the default date had been recorded as 14 May 2019.

Mr D said he was still unhappy as Vanquis had agreed to change the default date to 13 May 2019 but it had changed to 14 May 2019.

Our investigator said this didn't change her opinion. Mr D remained unhappy. So, the complaint has 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 should start by explaining to both parties that I may not comment on every single point raised or every piece of evidence. I want to reassure Mr D and Vanquis that I've carefully considered everything in relation to this case. But I'm going to focus on what I consider to be the key facts and the crux of the complaint. This reflects the informal nature of our service.

Firstly, it is not in dispute here that Vanquis didn't update credit reference agencies with the agreed date for the default of Mr D's credit card. Nor is it in dispute that this took multiple attempts by Mr D to resolve over some period of time. Given this, I'm going to go through what *is* in dispute on the case, before considering what would be reasonable to put things right.

What should the date of the default be recorded as?

Initially, the account was recorded as having defaulted in August 2019. Everyone agrees that this shouldn't have been the case. But Mr D has now said Vanquis agreed to record the date

as 13 May 2019, not 14 May 2019.

I can see in its final response from September 2024 that Vanquis said it would change the default date to 13 May 2019. So, I can see where the confusion has arisen from.

I've seen the notice of default that was sent on 25 April 2019. This explained Mr D was in arrears on the account and gave him until 14 May 2019 to make a payment. It explained if this wasn't done, a default would be recorded with the credit reference agencies. It isn't in dispute that this payment wasn't made

Thinking about all of this, I'm satisfied the correct date for the default to be recorded is 14 May 2019. While this means the date was incorrect in Vanquis' final response, this was only out by one day and so I can't see this has had a significant impact on Mr D. So, on this very specific point Vanquis needs to take no action.

Has the default date now been updated correctly by Vanquis?

I'm satisfied the account *is* now showing the correct date on Mr D's credit file. He has shown a copy of this dated 17 January 2025 and under the information from this account it reads "Default date" "14/05/2019".

So, Vanquis now needs to take no further corrective action here.

Did Vanquis pass on information to L to change the date?

I want to reassure Mr D that I've carefully noted what he's said about L and what he thinks should've happened. But I need to make it clear I'm only considering the specific actions of Vanquis here and if it did anything wrong.

I've seen an email from Vanquis to L in October 2024 asking it to amend the default date to the date the notice of default expired. L confirmed to Vanquis this had been done.

I appreciate that as of 17 January 2025, when Mr D's credit report he provided is dated, this hadn't yet updated and was still showing in August 2019. But I can see L confirmed to Vanquis *later* in January 2025 that the default *had* been reported to credit reference agencies as 13 May 2019.

Vanquis confirmed to our service it had explained to L that the date should be 14 May 2019. And it later provided evidence from L's systems showing "Default date: 14/05/2019".

Thinking about all of this, I'm satisfied Vanquis have acted fairly when it chased L to correct the information and by making sure the request was carried out.

I do think however that there was again an issue getting this updated in a reasonable time, which I've thought about as part of the next section.

Distress and inconvenience

I agree with our investigator that Mr D has been caused distress and inconvenience here. It's clear he's had to spend effort sorting the date out. And I can see Vanquis has said it did things when it didn't, which I think must have been upsetting for Mr D.

That being said, I don't agree with the sums Mr D put to Vanquis and said would be reasonable to put things right, which were several thousand pounds. I need to explain to Mr D that I'm only considering an award for the impact of what Vanquis did *wrong*.

I appreciate Mr D said this situation has impacted his credit file. And I understand he's said this led to him being declined lending and receiving higher interest rates - but I will say I've been provided with no evidence of this. Either way, I need to consider that Mr D *did* default on his account – so this was always going to be recorded on his credit file. And I think this where the large impact on him would've come from.

But I'm only specifically thinking about the impact of the date being incorrect by around three months and how long it took to resolve things. While frustrating for him, I can't see this specific situation has significantly impacted Mr D, beyond his efforts to get things corrected.

Our approach to payments for distress and inconvenience can be found on our website. Having reviewed these, I'm satisfied the situation has required a reasonable effort from Mr D to resolve, and this dragged on for longer than it needed to. I find an amount of £300 is reasonable to reflect what happened.

My final decision

My final decision is that I uphold this complaint.

I instruct Vanquis Bank Limited to put things right by paying Mr D a total of £300.

I understand this may have already been done – so any amount that has already been paid in relation to this can be deducted from this figure.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 September 2025.

John Bower
Ombudsman