DRN-5746013

The complaint

Mr T complains Vanquis Bank Limited are unfairly holding him responsible for a credit card account which he says was opened by someone else without his knowledge or consent.

Mr T is represented in this complaint by Mrs T.

What happened

In September 2022, a Vanquis credit card account was taken out in Mr T's name. In November 2023, Mrs T discovered the credit card account had been opened and complained to Vanquis. At the same time, Mrs T discovered a significant number of disputed transactions on Mr T's current accounts with his bank. Mrs T was also unhappy with Vanquis applying interest to the account, chasing Mr T for payment and saying it would default the account.

Vanquis responded to say they thought the application had been made by Mr T and he was therefore liable for the account.

Unhappy with this response, Mrs T referred the complaint to our service. An Investigator considered the circumstances. Initially she upheld the complaint because Vanquis had not provided any information to show Mr T was liable for the account. But Vanquis later provided some information, which the Investigator said showed the account had likely been opened by Mr T and she didn't think it was unfair for Vanquis to hold him liable for it.

Mrs T didn't accept the Investigator's findings. She said the card and PIN could not have been delivered to Mr T's address, because if they had, she would have known about it – as she opens his post.

As Mrs T, on Mr T's behalf, didn't agree, the complaint was passed to me.

I issued a provisional decision. I've set out my findings again below and they form part of this decision.

Provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr T's complaint in considerably less detail than Mrs T has. If I've not reflected something that's been said it's not because I didn't see it, it's because I've focussed on the details most relevant to the outcome of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

Mrs T has provided detailed information about Mr T's circumstances and in particular, his vulnerabilities. I want to reassure Mrs T that I have taken this into account. Because of Mr T's vulnerabilities, Mrs T says she doesn't think Mr T could have made the application because he wouldn't have understood the form that he would have needed to complete. Generally, a customer cannot be held to the terms of a credit agreement he didn't enter into himself or was entered into by someone else without his knowledge or consent.

Vanquis has provided a copy of the credit card application details. It was made online on 9 September 2022, using Mr T's genuine information including his address and phone number at the time. The email address used was the one Mrs T says wasn't Mr T's and was also used in relation to the other disputed transactions on Mr T's current account.
Mrs T says Mr T wouldn't know to complete such an application because he wouldn't understand some of the information it was asking for. She's also pointed out, having received a copy of the application data, some of the information relating to Mr T's circumstances isn't accurate. But, since she's also said Mr T likely wouldn't understand what information the form was asking for, I think this would explain any inaccuracies and indicate the information may well have been input by Mr T.

Vanquis has provided evidence of the card and PIN being issued shortly after the application was made to Mr T's address. The card was issued on 10 September 2022 and the PIN was issued on the 12 September 2022. Mrs T is certain that these items could not have been delivered to Mr T's address because she would've known about it since she lives there herself and opens Mr T's post for him.

Mrs T believes the card and PIN must have either been intercepted by someone. Or, Vanquis never sent them. I'm satisfied from the evidence I've seen that Vanquis issued a card and PIN to Mr T's address, the same address he's provided to our service. It's standard industry practice for cards and PINs to be sent individually and not on the same day, to limit the risk of them being intercepted. Mrs T has told us no one else has access to their home and has suggested perhaps a problem within the postal service. But beyond Mrs T's suggestion, I've seen nothing else to substantiate this is what happened. So I don't think it's more likely than not that the card and PIN were intercepted in this way.

Three letters were sent to Mr T's address in January, June and September 2023 regarding missed payments on the account – which was before the account was discovered by Mrs T in November 2023. Following each of these letters, payments were made to the credit card account from Mr T's bank account. These were made using Mr T's bank's open banking system. Mrs T is adamant no post was received at the home address about the credit card, but it looks like the missed payment letters were being acted upon. So I find it's more likely than not that they were being received, since I'm not persuaded its likely an unauthorised party could have intercepted these letters and they were seemingly prompting payments to be made.

Mrs T believes the opening of the credit card account is linked to the other disputed transactions on Mr T's current account. Those transactions began in January 2022. The credit card account was opened on 9 September 2022. But the first transaction on the account doesn't take place until 12 November 2022. I wouldn't expect an unauthorised party who had gained control of Mr T's bank account in January 2022 – with the intention of stealing his money - to wait until September to make a false application for a credit card. And then having done so, wait until mid-November to start using that account given the risk of it being discovered and closed in the meantime.

Most of the transactions on the credit card were made online to PayPal, which is the same as the bulk of the transactions being disputed on Mr T's bank accounts. Some were made to the same usernames of PayPal as transactions on Mr T's bank accounts. There were no *physical transactions made using the card and PIN. Though the full card details would have been needed to make the transactions online. As there's no reasonable explanation for how the card details could have been obtained by someone other than Mr T, I find it's more likely than not that Mr T made these transactions.*

Payments to the credit card account were made from Mr T's genuine bank account. Again, I wouldn't expect an unauthorised party to arrange for payments to be made at all, even if they did have access to Mr T's bank account. And, as I've explained above some of the payments to the credit card account were made following letters sent to Mr T's home address notifying of missed payments.

Mrs T has said she was told Mr T shouldn't make payments towards the credit card account, since it was being disputed. While the investigation was ongoing, Mr T was still being asked to make repayments. And until the investigation was complete, Mr T continued to be bound by the terms of the agreement. The letters Vanquis sent clearly explained payments were required and the consequences of not doing so.

Overall, I'm not persuaded the credit card account was opened by an unauthorised party. And, as I've explained, I think it's likely Mr T made or authorised the transactions made on the credit card account. So I find it's fair and reasonable for Vanquis to hold Mr T liable for it.

Responses to my provisional decision

Vanquis didn't respond by the deadline we set.

Mrs T, responded on Mr T's behalf, she said in summary:

- Mrs T remained adamant Mr T had not filled in the credit card application and wouldn't know how to.
- They'd been advised Mr T shouldn't make any repayments to the credit card. But she couldn't remember who told them this.
- She wanted us to consider this complaint in line with the rules set by the Payment Systems Regulator in 2024.
- Mrs T said it would be fair and reasonable for Mr T to repay some of the outstanding debt, but not all the interest and charges that have been applied.
- She now felt that Mr T might have disclosed personal information via a link on social media inadvertently, which has then been used by an unauthorised party to take out the credit card.

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 accept that Mrs T believes Mr T did not take out the credit card and she feels very strongly about this complaint. I want to reassure her I've taken everything she's said into account in making my decision – even if I've not referred to all her points individually. But, I'm required to consider all the evidence – so I have to consider what Mrs T has told us, along with all the other evidence in the case. Her certainty that Mr T wasn't involved in this credit card application alone, isn't enough for me to uphold Mr T's complaint.

For the reasons I set out in my provisional decision, I remain satisfied the evidence shows it's more likely than not that Mr T applied for the credit card.

The rules set by the Payment Systems Regulator in October 2024 are in relation to Authorised Push Payment ("APP") scams. This isn't an APP scam, so these rules don't apply to Mr T's case. That's not to say Vanquis don't have obligations in respect of vulnerable customers but, I've seen nothing to suggest Vanquis was aware of Mr T's vulnerabilities when the application was made. As it wasn't aware, I don't think I can reasonably conclude it ought to have done something different at the point of the application.

Mrs T said the only way she can think of that this could have happened is if Mr T disclosed personal information via a link on social media inadvertently, which has then been used by an unauthorised party to take out the credit card. But she doesn't say that Mr T has now told her that's what happened and that isn't what Mrs T told us happened at the outset of this complaint, and the one about Mr T's bank. Mrs T sent a lengthy submission on Mr T's complaint about his bank about how she was certain he wouldn't have used a suspicious website, clicked on a link or otherwise disclosed information to a third party online because he's "well aware" of online safety.

So, given that this is a significant change from Mrs T's original position on this at such a late stage and that there's nothing to substantiate this is what happened, beyond Mrs T's assertion – I still think it's more likely than not Mr T opened the credit card himself and authorised the payments on it.

Turning to the matter of payments, Mrs T says they were told – though she can't remember who by – not to make payments while the account was in dispute. Again, I explained in my provisional decision that Mr T was still bound by the agreement even though the account was in dispute. So while I understand why Mrs T might have felt any payments made towards the account would have looked like an admission the account was Mr T's, it was Mr T's decision whether to make payments or not. And I don't find Vanquis made a mistake by continuing to request payments were made.

Finally, Mrs T has now suggested, to resolve things, that Mr T pays £986.93, which was the balance of the account when the complaint was first made. If Mrs T wants to make a repayment arrangement for Mr T, then she and Mr T should contact Vanquis or its recovery agent directly. However, my decision remains that Vanquis is entitled to hold Mr T liable for the remaining balance in its entirety.

My final decision

For the reasons I've explained, I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 8 September 2025.

Eleanor Rippengale
Ombudsman