

The complaint

Mr B complains that Vanquis Bank Limited ('Vanquis') returned £90 he'd paid towards his credit card and defaulted his account. Mr B's unhappy that he didn't receive a replacement credit card from Vanquis or a default notice, and Vanquis have failed to send important correspondence via email.

Mr B wants the default removing from his credit file as he's now paid off the balance on the account.

What happened

On 23 December 2024 Mr B rang Vanquis as he'd lost his credit card and so couldn't access his banking app to make a payment. Mr B paid £90 the same day using a reference number he'd used before.

On 24 December 2024 Mr B spoke with Vanquis and was informed the payment wasn't showing on their system. Vanquis asked for payment details to trace this. However, the same day Vanquis returned the £90 to Mr B.

Mr B received Vanquis' letter dated 27 December 2024 regarding a missed payment but didn't act on this as he thought it overlapped with his recent payment.

Mr B subsequently complained on 19 February 2025 that Vanquis had defaulted his account unfairly. Vanquis said they'd sent a default notice on 20 January 2025, and the account had defaulted on 18 February 2025. Vanquis didn't agree to remove the default from Mr B's credit file, so Mr B referred his complaint to the Financial Ombudsman Service.

Our investigator didn't think Mr B's complaint should be upheld as he'd been notified his payment hadn't been successful on two occasions prior to the default notice being sent and the account defaulting. Our investigator also thought it was fair for Vanquis to send their default notice by post, as this was standard industry practice. The matter then came 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'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.

Having done so I have decided not to uphold Mr B's complaint as I haven't found that Vanquis treated him unfairly. I'll explain why, though I broadly agree with the reasoning of our investigator.

I don't think I need to go into whether it was right for the £90 payment to be returned because Mr B was notified on 24 December 2024 that Vanquis hadn't allocated the payment to his account. Vanquis' contact notes show Mr B was asked for his payment details so the payment could be located, so I think Mr B was likely aware there was an issue with the payment. I've also seen evidence that £90 was returned to Mr B's bank account on 24 December 2024, so I think Mr B was on notice that his payment hadn't been successfully allocated to his account.

Mr B accepts he received Vanquis' letter dated 27 December 2024 which he put to one side as he thought it had overlapped with his payment. However the letter clearly stated that a payment had not been made to Mr B's account.

I think Mr B could reasonably have contacted Vanquis in light of the conversation on 24 December 2024, the returned payment and the letter dated 27 December 2024, to check the position and ensure payment was made.

Mr B also said he'd not received a replacement card but I've seen Vanquis' system notes noting his request for a new card and that this was activated for him on 24 December 2024. As Mr B was still being sent credit card statements seeking payment and hadn't received his new credit card, I think it would have been reasonable for him to contact Vanquis to chase this and discuss how to make a payment.

I won't be able to get to the bottom of why Mr B didn't receive his default notice. I think this was likely sent as I've seen Vanquis' system records which show a default notice was issued on 20 January 2025. I'm satisfied that Vanquis were sending letters to the same address Mr B has provided this service.

Mr B says if he'd been notified of the upcoming default by email he'd have been able to avoid it. I understand why Mr B is frustrated, but I wouldn't expect Vanquis to issue a default notice via email as it's expected that regulatory notices go out by post even where electronic communications are preferred.

It may be helpful to explain that defaulting an account following a default notice and the recording of a default on a credit file are two separate processes, though they share the same term 'default' and often occur at the same time.

The Information Commissioner's Office ('ICO') expects a default to be reported on a person's credit file when they are between three and six months in arrears – as Mr B was here. The ICO would expect Mr B to be warned that a default might be reported, but the ICO doesn't require a formal default notice to be sent out before this happens.

I think Vanquis gave Mr B sufficient notice of the arrears on his account and that he needed to make payments to avoid a default being reported on his credit file. Mr B says he was aware he needed to pay £90 to avoid a default. Mr B also received Vanquis' letter dated 27 December 2024 which set out his account could default.

I can only uphold Mr B's complaint if I find that Vanquis treated him unfairly and I haven't seen enough evidence to persuade me that this is the case here. I know this will be a disappointment to Mr B but that means I don't uphold his complaint, and I won't ask Vanquis to take any action on this occasion.

My final decision

For the reasons I've set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 October 2025.

Clare Burgess-Cade
Ombudsman