

The complaint

Mrs V complains that Vanquis Bank Limited trading as “Vanquis” incorrectly recorded a default on her credit file – and that default also appears twice.

What happened

The facts of this case aren’t in dispute, so, apart from setting out Mrs V’s complaint, I’ll focus on giving the reasons for my decision.

Mrs V’s complaint is summarised as:

- Two defaults were recorded on her credit file for the same debt – one recorded by Vanquis and the other by a debt purchaser. She says having two defaults has significantly damaged her credit rating and limited her ability to access affordable credit. The debt purchaser has said it will remove the default its recorded if Vanquis confirm a default notice wasn’t sent.
- She didn’t receive a default notice from Vanquis. At the time, she was seriously unwell and made payment as soon as she could.
- She did notify Vanquis about her situation at the time. But Vanquis refused to take into account her illness and didn’t treat her with forbearance.

Because the parties couldn’t agree, the matter 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.

Although it appears Mrs V may have brought her complaint outside the time limits allowed for complaining, Vanquis has consented to our service considering this complaint. So, I’m satisfied I’m able to consider the merits of this complaint.

I understand Mrs V was going through a very difficult time when she missed these payments on her account – and I’m sorry to hear this. I don’t doubt her illness would have impacted her greatly. I also want to thank Mrs V for sharing information about her personal circumstances and how those also impact her. That being said, and I know this will disappoint Mrs V as I can see her strength of feeling on the matter, I’m not upholding her complaint – and I’ll explain why.

I’ve considered first whether Vanquis was aware of Mrs V’s circumstances at the time, in that she said she told it she was extremely unwell and therefore would make payment once she’d recovered. But Mrs V’s testimony has varied somewhat on this issue. Whilst she initially said she’d had several conversations with Vanquis about her illness and it hadn’t shown her forbearance, she later said she’d repeatedly “attempted” to call Vanquis and then in another email to our service, that she’d contacted Vanquis one or two times but could barely speak due to her illness. Considering this matter did happen some years ago, I’m conscious memories do fade over time.

But I've seen screen shots of Vanquis' contact notes, showing its contact with Mrs V. And according to those notes, it isn't until August 2023 that Mrs V gets in touch about the matter – or that the parties speak with each other about it. That call note suggests, once the call handler told Mrs V the account was in default, that Mrs V said she hadn't received any communication from Vanquis. Had she discussed matters with Vanquis prior to this, I would have reasonably expected her to raise this rather than stating she hadn't heard from Vanquis. So, on balance, and from the evidence I've seen, I'm not persuaded Vanquis were aware of Mrs V's situation at the time. I don't therefore find that Vanquis treated Mrs V unfairly here – or failed to treat her with forbearance.

On the contrary, I'm satisfied Vanquis were right to record a default on Mrs V's credit file for non-payment of her credit card. After January 2023, she didn't make payment until August 2023. Vanquis defaulted her account after three missed payments, which is line with relevant Information Commissioner's Office ("ICO") guidance.

I can see Vanquis sent three missed payment letters in March and April 2023 and a Notice of Default letter on 2 May 2023. I've seen copies of these letters (and I understand these have been shared with Mrs V) which show they are correctly addressed and I've seen the audit trail from Vanquis' system showing they were sent. So, I'm satisfied they were sent and likely received. The Notice of Default letter gave Mrs V sufficient notice, in line with ICO guidelines, to bring her account up to date, before the account was defaulted. As I've explained above, I'm not persuaded that Mrs V did contact Vanquis about the matter until after the default was registered and, in the absence of payment, Vanquis were entitled to default the account.

In saying this, even if Mrs V didn't receive the letters, including the Notice of Default letter, as I've explained above, Vanquis did what it needed to do in sending them. And given Mrs V hadn't made a payment to her account for a long time, I'm satisfied she ought to have expected her account would likely be in a position of default.

Mrs V has also said that this default shows up twice on her credit report. Where an account has been sold to a debt purchaser, this is what I would expect to see. Whilst Mrs V has said relevant guidance says only one default should be recorded for a debt, even if it is later sold to a debt purchaser, this isn't correct. Rather, ICO guidance says:

"Should your account be sold or referred to another lending organisation or a debt collection agency, the record(s) provided to a CRA by the creditor/and or purchaser must still be accurate and up to date."

In other words, Mrs V's account has been defaulted and therefore it's accurate for both the lender and the debt purchaser to report as such. What's important, is that the rest of the information being reported is correct, so other potential creditors can see this is in fact the same debt. On the ICO's 'Credit' page under the 'FAQs', it says:

"One of my defaulted accounts has been sold on to a debt collection company. This debt is now appearing twice on my credit file. Is this right?"

If it is clear from looking at the two entries that they relate to the same account, with the same default date and balances and the original debt is clearly showing as settled then it is likely that we would consider this to be fair in terms of the data protection law. However, if the entries are recorded on your credit file in a way that may look like they are two different debts, or that could make the debt remain on your credit file for longer than six years from the date of the original default it is unlikely that we would consider this to be fair."

Looking at how Vanquis has recorded information about Mrs V's account to the Credit Reference Agencies ("CRAs"), I'm satisfied it's correct. The debt is showing as satisfied and that it has been sold. The default date is also correctly showing as 31 May 2023. I won't be considering how the debt purchaser has recorded Mrs V's account as this decision only addresses Vanquis' actions. Mrs V will have to take that matter up separately, if she has any issues with it.

Finally, I'm aware Mrs V also contacted the Financial Conduct Authority ("FCA") about this matter. But having seen its response, I can see it referred her to this service – and that's because we're the appropriate body to deal with complaints like this, as opposed to the FCA.

Overall, I don't think Vanquis was wrong to record this default and, whilst I'm sorry to hear about Mrs V's circumstances, I'm not asking Vanquis to do anything to put things right for her.

My final decision

For the reasons explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 16 March 2026.

Sophie Kyprianou
Ombudsman