

The complaint

Miss N complains about her Vanquis Bank Limited loan.

What happened

Given the facts of this complaint are extensive and well known to both parties, I won't go over every detail here; instead, I'll summarise the key events up until this point:

- Miss N applied for a loan with Vanquis in April 2023. The application was approved and the funds drawn down.
 - From February 2024, Miss N began missing consecutive monthly repayments.
 - Vanquis sent Miss N several letters about the arrears accruing on her account, it also tried to reach her by phone – making around 50 attempts – to discuss the matter. Vanquis wasn't successful in reaching Miss N.
 - In May 2024, given the lack of contact and repayment, Vanquis decided to default Miss N's loan. She was around four months in arrears, and it sent the requisite Default Notice to her address.
 - At the same time, in May, Miss N complains about the missed repayments and Default Notice. She refers to our Service. In short, Miss N says it wasn't her fault repayments were missed – instead, she said it was an issue with Vanquis' systems in claiming payment. Miss N also explains that she was out of the country for several months, and she didn't receive the letters Vanquis had sent to her; she added that she'd felt forced to take the loan.
 - An Investigator here attempted to obtain information from Vanquis over several months, but it wasn't forthcoming.
 - The Investigator issued a preliminary view of Miss N's complaint, upholding it and recommending that Vanquis removes all adverse information from Miss N's credit file – including the default. The Investigator's reasoning is based on the lack of any information from Vanquis to show it had acted fairly.
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- Vanquis responds, this time with the relevant information, and asks the Investigator to reconsider. The Investigator does so, and they change their view of the complaint; they no longer recommend it be upheld. That's because Vanquis could show that it had tried to collect repayments but had been prevented from doing so. The error message in its system screenshots suggested the issue was likely with Miss N's bank. Moreover, it appeared that Miss N hadn't told Vanquis that she'd be out of the country for some time, which had left Vanquis with little choice but to follow due

process if it couldn't speak with her. Aside from that, there was no evidence to suggest Vanquis had forced Miss N to take the loan; the application had been completed online with no business involvement.

- Miss N disagreed. She said a Vanquis agent had confirmed during a phone call that the issue was indeed to do with Vanquis' systems. Additionally, Miss N said Vanquis hadn't made any further attempts to take payment – citing it to be industry standard that if a payment fails, a second attempt is made – and she said that the impact of the default was causing significant distress.
- Our Investigator reconsidered, given Miss N's comments, and she also requested more information from Vanquis – specifically, the call which Miss N had referenced.
- Miss N then told us that her account had been sold to a third-party, who I'll refer to as "L", and she thought this action was inappropriate given the ongoing dispute.
- In October 2025, our Investigator issued their third view of the matter. They still didn't recommend that Miss N's complaint be upheld. In summary, they said that the repayment issues couldn't be shown to originate from something Vanquis was responsible for; put simply, it had tried to take repayment, but it hadn't been able to. There was nothing to *oblige* Vanquis to make a second attempt at taking payment, even if some other firms might do. The call Miss N had referred to, where a Vanquis agent accepted its systems were responsible, couldn't be located. Even if it could though, and Miss N had indeed been given the information she says she was, it wouldn't necessarily make a difference here. Finally, the sale of Miss N's account wasn't prohibited because of an ongoing dispute – but in any event, given it was a new issue, that matter (and any other associated problems) would have to form a new complaint.
- Miss N asked for an Ombudsman's decision. She reiterated her disagreement at the Investigator's findings, and she also said a second default had been registered against her – by L – which she thought unfair. Miss N considered the outstanding issues to be the call to Vanquis; the duplicate default recorded by L, and how Vanquis had dealt with her request for information.

As no agreement has been reached, Miss N's 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.

At the outset, I'll say that this is a complaint which has several aspects, and it continues to evolve as time passes; Miss N's latest concerns about L, and how it's managing her debt, are an example of just that. So, before going any further, I'm going to set out exactly what I'm considering here.

This decision addresses two key points:

- The repayment issues.
- The default Vanquis applied to Miss N's credit file.

There will, of course, be broader comments and considerations which form part of those headings – but, generally, those points are what I'm focussing on here because I think they're the core of what's still in dispute. Miss N's concerns about L, for example, or actions

Vanquis has taken more recently, are separate matters and will need to be raised in their own right with the relevant firm.

I'll also be clear that I have read and considered all that Miss N has said and provided, but I haven't commented on each and every statement she's made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be an informal service; I don't intend any discourtesy in my approach, it's simply to align with that purpose. For clarity, I've addressed each of the core points in turn.

The repayment issues

A principal part of this dispute is the issue with Miss N's repayments. So, the starting point is to examine is *why* Miss N's repayments weren't made.

Looking at Vanquis' internal data, I'm satisfied it did attempt to take payments – that's certainly clear. As our Investigator explained, the error codes returned when Vanquis made such attempts point towards Miss N's bank(s) stopping the payments; it's possible the payments to Vanquis were blocked, or unrecognised and stopped, or some details simply weren't correct, and the payment couldn't be completed. The *exact* reason, though, is unclear.

The general information I have suggests that Miss N made payments to Vanquis by more than one method; money was taken via a Continuous Payment Authority ("CPA"), which allows for recurring payments, and I've also seen other types of payment too – by phone, for example – where Miss N would've provided her details directly to an agent. It's worth noting that Miss N's payments made via CPA appear to have had varying degrees of success; throughout the history of the loan some are blocked and are unsuccessful, while others seem to go through with no issues. Miss N looks to have made payment by other means, as and when required, when a CPA payment fails. There's nothing I've been provided though, by either party, which allows me to safely conclude – or even consider it more likely than not – that Vanquis' systems are the primary reason why Miss N's payments weren't successful.

More broadly, I gather that Miss N has been the unfortunate victim of some fraudulent activity affecting her bank account(s) in the past. She's mentioned blocks being applied to her accounts, as well as certain merchants being highlighted as high-risk. Those measures are, of course, entirely reasonable in such circumstances, and I am sorry to read that Miss N was in such a position. I noted that Miss N called Vanquis, in January 2024, to change the bank account from which her repayments were made – and it seems the account she chose to pay from had been compromised in the past, to some degree, given she's mentioned fraud blocks being applied to it. So, it's entirely possible the various blocks – or other measures put in place to combat fraud across her accounts – had an effect on payments here. The inconsistency in success with outgoing payments certainly points to something along those lines.

In any event, I must say that it is fundamentally Miss N's responsibility to ensure repayments are made and on time. She is ultimately accountable for monitoring her account and keeping it up to date. That's crucial, and it applies even when there's an issue with a particular method of repayment – regardless of the exact cause of such an issue. Simply put, Miss N wasn't absolved of responsibility to ensure repayments were made even if one payment method wasn't working as intended.

I know Miss N has placed significant weight on what was said over the phone by a Vanquis agent in March 2024, who she says acknowledged it was their system preventing successful

payments. It's entirely understandable that she'd consider this key information. I don't have a recording or transcript of that call, so I can't say either way what was disclosed, but I don't think it makes a difference here. Even if Vanquis did say the problem was something on their side, and that they'd look to fix it, Miss N would still have been on notice that there was a problem and payments weren't being collected. So, she'd always have needed to use other means of paying at that point – even if only to catch up on arrears; but she didn't do so.

To sum up then, I can't reasonably say that it was – or was more likely than not – Vanquis' error which prevented payments via CPA. There's not enough evidence to draw that conclusion. I also can't say that any issues with CPA repayments, regardless of what or where the fault was, means Miss N didn't need to make payments via other means. So, it follows that I can't fairly find that Vanquis did something wrong in this regard.

The default applied to Miss N's credit file

Directly linked to Miss N's missed repayments is the default Vanquis applied to her credit file.

I'll start by setting out that the Information Commissioner's Office ("ICO") explains that a default can be applied if an account is between three and six months in arrears. Miss N's loan was three to four months in arrears by the time Vanquis applied a default, so I can be satisfied the timing was reasonable. I'll also say that Vanquis has a duty to record accurate information with Credit Reference Agencies ("CRAs"); and as frustrated by it as Miss N may be given the dispute over why payments weren't made, the information recorded by Vanquis here isn't inaccurate.

The fact is that Miss N's account was in arrears for some time and, regardless of reason, repayments weren't made. As I've said above, an issue with one repayment method doesn't change Miss N's overall obligation to make repayments. If I could see Miss N was *entirely* unable to make a payment, via any method Vanquis offers, that might be different; but there's nothing to suggest that was the case here – as I understand it other options were available, and indeed I've seen Miss N had utilised them before.

I know Miss N was abroad for some considerable time, starting when she began missing consecutive repayments, and I've no doubt this loan wasn't the first priority for her while away. I also know that she didn't receive any of the communication from Vanquis, like the Notice of Sums in Arrears letter, or the Default Notice, because she wasn't in the United Kingdom.

From what I've seen, Vanquis tried to contact Miss N extensively – making around 50 calls to her – as well as sending the various letters it's obliged to send in such circumstances where repayments aren't being made. It wasn't aware Miss N was out of the country and, more broadly, I think it tried best it could to reach her and discuss her failed payments and build-up of arrears. It follows that it had little option but to follow due process given its inability to reach Miss N, and the lack of any repayments. There's not much more it could reasonably be expected to do. So, in conclusion, and in these circumstances, I don't think Vanquis unfairly defaulted Miss N's loan; instead, it acted legitimately in doing so given it

didn't receive repayments for some time.

As a final comment on this point, I'll mention here that Miss N may wish to consider asking to register a "notice of correction" with CRAs. In essence, that's a short explanatory note which she can request is added to an entry on her credit file; it explains the background to that entry. Any firm who searches her credit report should then see the notice. I'll be clear that I can't guarantee individual CRAs will allow Miss N to do this – that's for them to determine. I should explain too that any prospective lenders will each consider a notice like this differently; it isn't a guarantee that any potential new lender will agree to provide credit. But given how strongly Miss N feels here, it is an option for her.

Overall

What I've set out here will, no doubt, come as a considerable disappointment to Miss N. I know this won't be the answer she's hoping for. Fundamentally though, as with any dispute, the key point to remember here is that it's only fair and reasonable for me to uphold a complaint in circumstances where I can conclude a business did something wrong. Here, I don't think I can reach that conclusion; I'm not persuaded Vanquis was at fault for repayments not being collected, I think Miss N could've done more to mitigate her position in any event and, finally, I don't think Vanquis unfairly recorded a default given the lack of repayments.

As I've mentioned earlier, any other issues – like the actions of L, Vanquis selling Miss N's debt to L, or unhappiness with Vanquis' data team and its provision of information – are separate matters and will need to be reviewed in their own right.

In closing, I'm truly sorry to disappoint Miss N – but for the reasons I've explained I don't uphold her complaint, and I don't require Vanquis to take any further action.

My final decision

My final decision is that I don't uphold Miss N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 24 December 2025.

Simon Louth
Ombudsman