

The complaint

Mr A complains Vanquis Bank Limited ('V') defaulted him.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mr A took out a credit card account with V. However, after a period of arrears V defaulted the agreement

Mr A says the default was registered unfairly. In summary, he says that V's app which he used to manage the account was not showing he was in arrears. And he had informed V that he could only use the app to manage his account because of his mental health condition.

Mr A complained to V requesting that it cancel the registration of the default. It did not agree to this – and considered it had acted fairly.

Our investigator agreed that V had acted fairly so Mr A asked for an ombudsman to look at things again for a final decision.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider having been good industry practice at the relevant time. This includes guidance from the Information Commissioner's Office ('ICO') in respect of the principles for the reporting of arrears, arrangements and defaults at credit reference agencies.

On the face of it was it reasonable for V to register a default?

The ICO explains the recording of a default is reflective of the relationship between the lender and the borrower having to some extent broken down and might occur when the borrower falls into arrears. The ICO also says that information on credit files should be accurate (in essence this should fairly reflect the account status at the time).

There is no prescriptive rule on when a default should be registered. The ICO explains that as a general guide this may occur from when a borrower is 3 months in arrears and normally by the time they are 6 months in arrears.

Here I note Mr A was at least 3 months in arrears on his card when the default notice was served on him by V on 17 July 2025. So not outside the timeframe that it is expected a default might reasonably occur. This is because he wasn't paying the contractual amounts as required by his credit card agreement. It also appears that during the period of arrears Mr A had spoken to V several times about reasons for missing payments, but he declined setting up a reduced payment arrangement more than once, as he wanted to avoid any adverse information on his credit file. He indicated that he could make the required payments to catch up with the arrears.

The default notice required Mr A to pay a certain arrears payment by 14 August 2025 to avoid a default. Or get in touch by that date to set up a payment arrangement. However, here it appears Mr A did not do either of these things. So the relationship between the parties appeared to have broken down and on the face of it V was acting reasonably in registering a default.

Is there some other reason why registering defaults would be unfair?

I have considered the other things Mr A has said about why it would be unfair for Z to register a default. I note he has focused on the fact he manages his account through the app and he says this was not showing he was in arrears.

I am not sure what the app was showing Mr A at the time. But in the absence of other persuasive evidence I expect at minimum it likely reflected the contractual payment he was due to pay for his credit card each month. So Mr A would be reasonably aware he wasn't paying this as required. Furthermore, it likely reflected the wider information on his credit card statements I have seen which include that he has missed payments and was in arrears.

But in any event, based on the other communication Mr A had with Z, or the communication it sent him, I am satisfied he would reasonably have known he was in arrears. I say that because there are several telephone calls he had with Z where the arrears were discussed. Furthermore, Z sent Mr A several letters about the arrears including a default notice warning him about the consequences of not making payment or setting up a plan. I know Mr A said he didn't get these - but they appear to be correctly addressed so I don't see why not.

I also note in deciding what is fair that the letters Z sent Mr A encourage him to get in touch with Z to set up a payment plan. And during calls a payment plan was discussed. But Mr A didn't appear to want to set up such a plan. I also note that the information on Mr A's statements and on the letters Z sent him warn him of the consequences of not making payment including adverse entries on his credit file.

I recognise Mr A says Z should have known about his vulnerability because he disclosed it in respect of the account. Specifically that he was only able to manage his account through the app. However, Z has said it wasn't aware of this while it was communicating with him about the arrears, and when it defaulted him. It says there was no record on Mr A's account and he disclosed this later. From the evidence provided by Z including system records I have seen this seems to be likely the case. And I note, from the recordings I have, while Mr A was previously discussing arrears with Z and making arrangements for a manual payment over the phone he didn't appear to mention this to it. So I can't say that Z has acted unfairly in some way in that regard.

However, even I accepted that Z should have known about Mr A's vulnerability – it is unclear why the information in the app combined with the telephone calls Mr A had with Z

would not have been sufficient for him to have reasonably known he was not making the required contractual payments over a prolonged period. It is clear from phone calls as late as June 2025 Mr A was aware he is in arrears and had not caught up with these.

I know Mr A is likely to be disappointed by my decision – but I remind him that my role is informal, and he can consider taking the matter by more formal routes (such as court) if he wishes.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 April 2026.

Mark Lancod
Ombudsman